Daily Report

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FBIS-LAT-93-099 *25 May 1993*

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'Copan Declaration' To Promote Development of Maya Region

PA2305123793 Panama City ACAN in Spanish 1856 GMT 22 May 93

[Text] Copan Ruins (Honduras), 22 May (ACAN-EFE)—On 22 May, the leaders of Mexico, Guatemala, Honduras, El Salvador, and Belize will sign the "Copan Declaration," committing these nations to the cultural, tourist, and ecological development of the main ruins of the Maya civilization in order to show them to the world.

The complete text of this declaration, obtained by ACAN-EFE, to be signed at the Copan Ruins at the end of the tour, in western Honduras, is the following:

Copan Declaration:

1. The presidents reaffirmed their commitment to take steps to expand the areas opened to the public at archaeological sites.
a) To explore and restore new archaeological sites that reinforce existing areas and open new tourist routes.
b) To restore archaeological and historical sites, objects, and buildings.
c) To draft projects to refurbish urban areas where there are historical monuments.
d) To disseminate the region's cultural and historical values through joint publications and support museums, particularly in the production and presentation of temporary exhibits.
e) To train and update technicians and professionals in the areas of archaeology, history, anthropology, ecology, and administration of historical sites and natural parks.
f) To recover files and form databases that support joint research on regional history.
g) To hold experts' seminars and meetings to support joint research on archaeology, history, anthropology, and ecology.
h) To coordinate efforts to prevent the illegal traffic of archaeological and historical objects, as well as of animal species.
i) To obtain resources to implement programs to safeguard protected areas in the region, especially those declared patrimony of humankind.

2. To study mechanisms to identify and implement policies that will promote the overall development of the Maya region, such as:
a) The use of strategies to promote tourism bearing in mind the protection of and respect for the natural, cultural, and social environment.
b) The implementation of plans to promote the participation of communities living in protected areas and in tourist attraction sites near the Maya region.
c) The drafting and execution of projects for biotic recovery through the re-introduction of animal and plant species consistent with the idea of recovering the original environment in archaeological sites, protecting them through the creation of natural parks.

3. To support the implementation of infrastructure projects and communities connected with the tourist industry, especially in aspects such as:
a) The construction and improvement of roads to facilitate the interconnection of places within the Maya world.
b) The improvement and development of port facilities to permit the integration of maritime routes that gain access to coastal areas in the Maya world.
c) The revitalization of projects to expand railroad networks.
d) The construction and improvement of airports to expand intraregional traffic.
e) The interconnection of electricity and telephones lines to stimulate development in the Maya region.
f) The coordination of aerial interconnection routes in the region.

4. To promote the training of personnel in the area of tourism.

5. To encourage the adoption of mechanisms that will facilitate customs and immigration service.

6. To follow up the actions contemplated in this declaration.

7. To thank the European Community for its contributions to the development of the Maya World project and the national projects. To urge this organization and the international community to offer the cooperation needed to accomplish this objective.

Cuba

Union Warns of Possible Unscheduled Power Outages

FL2205182193 Havana Radio Reloj Network in Spanish 1614 GMT 22 May 93

[Text] There could be unscheduled power outages as of today. The Electric Union has informed the population that as of today, Block No. 5—a 158-megawatt block—of the Carlos Manuel de Cespedes Thermoelectric Plant in Cienfuegos went out of service to undergo light, indispensable maintenance.

This block will be put back into service on 26 May, a date on which it will be necessary to perform similar maintenance until 2 June on the 330-megawatt unit at the Antonio Guiteras plant in Matanzas.

The report says: For those reasons, interruptions in power above and beyond those scheduled will have to occur; and on the days that maintenance is being performed on the Antonio Guiteras plant, power outages in addition to those scheduled will be inevitable.

Finally, the report, which was supplied by Arturo Mora de la Cruz of Havana's basic electricity organization, says electricity may be affected throughout Cuba.

Sugar Harvest Delayed by Rains, Could Extend to Jul

FL2405184093 Havana Radio Rebelde Network in Spanish 1700 GMT 24 May 93

[Report by Diosdado Maso]

[Text] The heavy May rains continue to affect negatively the course of the sugarcane harvest. As of 23 May, the time lost due to rain at mills throughout Cuba surpassed the average of the last 10 years. In Santiago de Cuba Province the harvest is practically halted. In Guantanamo Province, the driest region of Cuba, the situation is similar. In Las Tunas Province, where, with the exception of the Amancio Rodriguez Mill, mills are in operation, they are experiencing more time down than operational. In Holguin, Ciego de Avila, Camaguey, and Villa Clara Provinces, weather conditions during May have made it impossible to conduct the harvest. Only Granma Province presents a favorable situation regarding the fulfillment of its plan. May is almost over; indications are that the sugarcane harvest will last until June and in certain mills until July.

Cuba has no choice other than to continue the harvest because this year, precisely, the price of sugar in the international market is at its highest in the last 10 years—13 cents a pound. The sugarcane harvest is decisive for the national economy. It is the resource basic to continued development of prioritized programs within the special period.

Cuba has almost 2 million hectares committed to sugarcane. Twenty percent of Cuba's labor force works in the sugar industry. Cuba is also the top sugar exporter in the region. For this reason, conducting a large sugar harvest is not only a national need, but is also essential for Latin American countries since sugar represents over 80 percent of the income of these countries and Cuba. It is necessary to continue the harvest until the last piece of sugarcane planned for the 1993-94 harvest is ground.

This is situation of the sugarcane harvest.

Decline in Sugar Grinding Noted in Villa Clara

FL2205175393 Havana Radio Reloj Network in Spanish 1603 GMT 22 May 93

[Text] The 62 sugar mills in Villa Clara still active during the mid-May 10-day period have shown a strong drop in grinding. Jointly, they reported a little over 38 percent industrial productivity during that period.

The progress of the harvest in the province was once again affected by rains, along with resource limitations—mainly the low availability of fuel.

For this reason, by 21 May only 18 Villa Clara mills were still grinding in an irregular manner and with very poor performances. This was because the cutting by machine was generally paralyzed or the soil was too wet.

Another four complexes scheduled to work in the harvest have already finished their work totally: Marcelo Salado in Caribarien; George Washington in Santo Domingo; Panchito Gomez Toro in Quemado de Guines; and Diez de Octubre in Ranchuelos.

Roundup of Economic Activity Reported 18-24 May

FL2505011793

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 20 May and 24 May.

According to PRENSA LATINA, the Spanish Government has sent donations to Cuba valued at 11 million pesetas. (Havana Radio Rebelde in Spanish 2300 GMT 20 May 93)

Friends of Cuba who live in Curacao have donated over $3,000 worth of medicines and one wheelchair to Camaguey Province's Manuel Ascunce Domenech Hospital. Radio Rebelde adds that the Colombia and Majibacoa Sugarcane Agroindustrial Complexes are the first in Las Tunas Province to become self-sufficient in electricity. The complexes have their own electric generation plants.

Radio Rebelde adds that the Comandante Ernesto Che Guevara Nickel Plant in Moa Municipality has achieved an 80-percent increase in efficiency in the extraction of nickel plus cobalt through improvements in the gas chambers, boilers, and ore reduction ovens. Plant specialists are readying the equipment to consume domestic fuel beginning in June. Rebelde further adds that the Zeolite San Juan Mine Plant—the largest in Cuba—is

regaining its export capability through its product quality. It has a contract to deliver 2,500 tons to Colombia and Brazil during 1993. In April, the plant processed 1,329 tons for export and 90.5 for Cuban agricultural enterprises. (Havana Radio Rebelde in Spanish 1700 GMT 21 May 93)

In the last nine months, the World Food Program [WFP] has invested more than 4 million pesos in the state and private sector in Las Tunas Province. During that period, 24 km of train tracks were laid; 21 milking units were installed; 80 housing units, 85 wells, and two dams were built; 3.8 km of fencing was put up. In the next four years, the WFP will invest 23 million pesos to develop the dairy industry in Las Tunas Province. (Havana Radio Rebelde in Spanish 1945 GMT 21 May 93)

An audit at the Yarayabo No. 2 Pig Breeding Center in Palma Soriano, Santiago de Cuba Province, revealed a missing inventory of 264 head of livestock worth 2,232 pesos. The audit detected violations and careless practices. A crime of improper appropriation was ruled on during the course of the investigation. The Office of the Public Prosecutor ordered the center to draw up a plan for conducting checks with a view to eliminating the discovered violations within the time period established by law for such cases. (Havana Radio Progreso in Spanish 1000 GMT 22 May 93)

The Juarez-Marti Solidarity Committee has presented a donation of food and medicine to the Cuban Institute of Friendship With Peoples. (Havana Radio Rebelde in Spanish 1700 GMT 22 May 93)

The price of sugar is its highest in 15 years is very important because sugar is the top source of income for Cuba. Twenty-five percent of its agricultural land, 1.8 million hectares, is in sugarcane. Twenty percent of Cuba's workers work in the sugar industry—500,000 people, with 45,000 technicians and specialists. Annual sugar consumption in Cuba is over 80 kg per capita, twice the world's average. There are 156 sugar mill complexes in Cuba and over 400 enterprises dedicated to sugar and its by-products. (Havana Radio Rebelde in Spanish 1155 GMT 24 May 93)

Water levels in the Granma Dam have increased by 52 million square meters. Rainfall has increased the levels in all the dams in the region. (Havana Cuba Vision in Spanish 2220 GMT 24 May 93)

Antigua and Barbuda

Senators Vote Against Free Trade Areas Act

FL2205013093 Bridgetown CANA in English 1926 GMT 21 May 93

[Text] St. John's, Antigua, May 21, CANA—Antigua and Barbuda senators are worried about the government's plan to establish a free-trade zone. This week they voted 9-2 against the Free Trade Areas Act—meant to pave the way for the establishment of the zone. They sent the act back to the House of Representatives, which had already approved it.

The government plans to establish a free zone in the northeast of Antigua "to stimulate growth in the economy by attracting foreign investment, transfer of appropriate technology, and by providing middle-management employment." But both opposition and government senators voiced concerns about the proposed legislation.

Senator Jose Benjamin, a businessman, complained that "the local private sector grouping (was not) consulted with regards to various provisions in the bill. It was felt that we should have an input in the manner in which a free-zone should be set (up), whether it could be set up in the first place," Benjamin said.

Benjamin said the bill does not "clearly indicate ... How the free zone is to operate. It does not indicate if the operation will be a viable one and it has not clearly identified the benefits to Antigua and Barbuda outside of the fact that it will employ people," he added.

".... There are a lot of grey areas. The way the bill is drafted, there is no clear indication as regards to how ... it would affect local business."

Senator Nathlie Payne, general secretary of the pro-government Antigua Trade and Labour Union, said "the bill did not give protection to the workers." Ms. Payne said there should have been dialogue with the trade union movement and the private sector before the bill was sent to parliament.

She said: "Experiences from free-zones in other Caribbean countries shows that trade unions are not encouraged to function in the free-zones." Leader of government business in the Senate, education minister Bernard Percival, said there had been some reservations about the level of tax concessions and incentives that were being given away.

"These incentives were quite extensive, but they were not unusual in terms of manufacturing concern," Percival said. He reported that some concern had been expressed about environmental hazards because of the types of industries that would be encouraged to operate in the free-zone and about the level of job creation.

Bahamas

Illegal Haitian Immigrants Rounded Up for Deportation

FL2405234893 Bridgetown CANA in English 2135 GMT 24 May 93

[Text] Nassau, Bahamas, May 24, CANA—About 400 illegal Haitian immigrants in The Bahamas were picked up by the authorities in two separate raids late last week, the government confirmed Monday [24 May]. The raids

were carried out in various settlements on the islands of Abaco and Eleuthera Thursday and Friday. The detainees will be deported as quickly as possible, Public Safety and Immigration Minister Arlington Butler said.

Butler denied reports in the Nassau GUARDIAN that immigration and defence force officers raided an Abaco church. He said an Abaco minister of religion thwarted immigration officers from carrying out their duties during the round-up. The minister, whom he declined to identify, held a seven-and-a-half hour nighttime church service, which ended only after immigration and defence force officers left the area, he said. The minister also encouraged Haitian men to run away, leaving their women and children home alone in the hope that they would not be arrested, Butler said. Butler said he was satisfied the information, received from his officers, was correct.

"It causes me concern that someone would try and frustrate the legal agencies by such actions. I can't see why any responsible Bahamian would find it easy to glorify illegal acts. That at the end of the day is what it's all about. I think responsible Bahamians can't go around doing that," the immigration minister said. Butler said that the raid was carried out in the most humane fashion possible. Butler said the illegal immigrant population relies entirely on sympathy.

"While we are sympathetic of their plight, we have a responsibility to recognise that the laws of our country are respected," he said. Butler said his ministry also was moving at a rapid rate to regulate the status of many long-term Haitian residents. The ministry has been awarding permanent residency to people who have applied properly, he said. However, he said his ministry also had many other urgent problems, particularly in the employment category, which must be dealt with first.

Barbados

Private Sector Examines Competitive Disadvantage

FL2405223393 Bridgetown CANA in English 2003 GMT 24 May 93

[Text] Bridgetown, Barbados, May 24, CANA—Barbados business operators at a conference here Monday [24 Monday] raised concerns about high costs of doing business on the island and got cues that exchange rate and other adjustments may be necessary.

Barbados Hotel Association president, Peter Odle, and tourism consultant, Luther Miller, both spoke of high wage costs, reaching as high as 40-50 percent of revenues in Barbados, compared to 12 and 15 percent in competing destinations, as indications of the high costs.

"Why is Barbados becoming uncompetitive?" responded chairman Sidney Knox of Trinidad-based regional conglomerate Neal and Massy at a discussion session on tourism during the Fifth Caribbean Private Sector Conference. He said high wage costs were a fact of life in Barbados which must be addressed. He cited Trinidad and Tobago as an example of a country which for years had sought to avoid "pain" while others were undergoing economic adjustments.

"The fact is, to make yourself competitive, you may have to make a couple of fundamental decisions... A number of my Barbadian friends, they tell me that's not on, changing currency rates and so on. We're different... But when you listen to all of the comments here this morning, though they're not addressing that subject, (they) unfortunately lead to having to talk about that one day... We can talk around this subject and put on more negative lists and more restrictions and more this and more that. And maybe two years from now you may face the answer," Knox said.

Less than a week ago, Prime Minister Erskine Sandiford reiterated his government is "committed to the fixed exchange." He urged private-sector support for measures such as a proposed incomes policy, as alternative approaches intended to give the island a competitive edge.

In a separate, opening session of the conference, Barbados Manufacturers Association president, Bobby Khan, both suggested adjustments were likely, and that sister Caricom states risked retaliation if they unduly exploited Barbados' position.

"I strongly urge Caricom countries not to use the prevailing conditions in the regional economies, including Barbados, and take undue advantage of our inability to compete due to the value of our dollar, and other high costs of conducting business, as this condition is temporary and will be resolved in time.

"If this trend continues, they are likely to see measures being put in place which can only harm the free trade movement. I believe the solution lies in helping and understanding each other's needs at private and public sector levels," Khan said.

British Virgin Islands

Brewley Appointed Opposition Leader in Legislative Council

FL2105181393 Bridgetown CANA in English 1645 GMT 21 May 93

[Text] Road Town, Tortola, May 21, CANA—The acting governor of the British Virgin Islands, Elton Georges, has appointed E. Walwyn Brewley, representative for the 4th district, leader of the opposition in the Legislative Council. The office became vacant last May 14, when Cyril B. Romney tendered his resignation. His resignation was accepted by the acting governor. Romney had been leader of the opposition since December 7, 1990.

Cayman Islands

Cuban Stowaways Refused U.S. Visas Returned to Caymans

FL2305220093 Bridgetown CANA in English 2217 GMT 22 May 93

[By Rick Catlin]

[Text] George Town, Grand Cayman, May 22, CANA—Two Cuban refugees who stowed away on a cruise ship last week to reach Miami from this western Caribbean British territory were returned to Grand Cayman after U.S. immigration officials in Miami reportedly told them they had not requested political asylum.

Jesus Homero Viera, 42, and his son, Marlon, aged 19, had boarded the cruise ship Seaward on May 13, as it lay at anchor in George Town Harbour. The two Cuban refugees had been in the Cayman Islands for nearly four months after fleeing Cuba.

When the Seaward reached Miami on Saturday, May 15, the Cubans said they were detained in a room on board the ship and interviewed by U.S. Immigration and Naturalization Service (INS) officers. Homero Viera said when asked why they wanted to come to the U.S., they told the INS it was because of political persecution in Cuba. Viera claimed he and his son were not allowed off the ship, were not allowed to call an attorney or family members in Miami, and were never taken before a federal judge to hear the case.

"After our interview and filling out the forms, the immigration officers said everything was going okay," said Viera. "Then the next day (Sunday, May 16) the ship left Miami. We were inside this room with no windows and didn't know what was going on."

Viera said they were later given a message that the INS had turned down their request to enter the U.S. because "they said we didn't ask for political asylum. That, of course, is ridiculous," he charged. "We told them we were getting out of Cuba to escape the political situation and that was the reason we wanted to come to the U.S. Is that not asking for asylum?"

INS spokesperson Duke Austin in Washington said that as far as he knew, "they (the Vieras) just expressed an interest in staying in the U.S. They did not request asylum." Austin said that had the men asked for political asylum "they would have gotten an administrative hearing, just like everybody else. We don't deny people when they ask for asylum," he said.

It was the first known case of any Cuban refugees who reached the U.S. via the Cayman Islands being returned to this British territory, which is under no legal obligation to accept them. Cayman immigration officials declined to comment on the incident.

The Viera's will now have to wait one year before being eligible for a visa to enter the U.S. While in the Cayman Islands, Cuban refugees are not allowed to work or attend school, but must depend on handouts from the community and Cayman Government aid.

Since 1989, more than 250 Cuban refugees have reached these islands located about 180 miles off the south coast of Cuba. Some 125 have gained visas and entered the U.S. legally. In the past six months, seven Cuban refugees have stowed away on cruise ships and reached Miami. All have been allowed to enter the U.S.

Haiti

Caputo Reportedly To Keep Negotiation Progress Confidential

FL2405153893 Port-au-Prince Signal FM Radio in French 1030 GMT 24 May 93

[Text] Dante Caputo, UN/OAS mediator for the Haitian crisis, began his sixth mission to Haiti on 22 May with the hope that we are moving toward the resolution of the political crisis engendered by the 30 September 1991 military coup. According to a press communique issued by the UN/OAS international civilian mission in Haiti, Mr. Caputo wants to continue negotiating the resolution of the Haitian crisis in confidential steps, asserted Argentinian Dante Caputo a short while after his arrival in Port-au-Prince. He explained that his negotiation is so important that it constitutes one of the central points of the solution of the crisis. He added that there is no other solution.

Caputo, who arrived at 1330 [1730 GMT], wished not to make important statements on the state of the ongoing negotiations. You understand, he said, that I must keep silent about what is to be done. He promised that he would soon give a statement to the media, maybe not in the same way as on 16 April, date of the failure of his fifth mission to Port-au-Prince. To avoid all that, Caputo explained that certain steps must remain confidential.

The UN/OAS emissary appeals to the responsibility of the parties involved in the crisis, their generosity, and their greatness because these constitute the elements of the resolution of the crisis.

Caputo met with the Canadian foreign affairs minister on 17 May on the possibility of sending [to Haiti] a multinational police force to which Canada is invited to provide about 100 men. Barbara McDougal explained that the United Nations and the OAS were continuing their consultations toward the creation of the force in charge of facilitating the work of the international civilian mission deployed by the two organizations to oversee human rights in Haiti. This initiative has been rejected by the authorities and the Haitian political class.

We learned from a reliable source that international mediator Dante Caputo and special envoy Lawrence Pezzullo met with military officials on 22 May. They

talked with Prime Minister Bazin on 23 May at 2000 GMT, but nothing has leaked from these meetings, according to our source.

Jailed Union Official Released After Hospital Treatment

FL2405160893 Port-au-Prince Signal FM Radio in French 1030 GMT 24 May 93

[Text] In Haiti, an opposition unionist has been released. Union sources announce that Cajuste Lexius, secretary general of the General Organization of Workers, CGT, which supports ousted President Jean-Bertrand Aristide, was released in Port-au-Prince on 21 May after a one-month detention during which he was the victim of serious ill treatment.

Lexius was arrested on 23 April in the Haitian capital, along with two other union officials who were later released, on charges of being in a car from which shoots were fired. Seriously injured by repeated beatings, he was treated at the Military Hospital in Port-au-Prince and then transferred to the headquarters of the Investigation and Antigang Service before being released.

The Haitian military high command publicly deplored the attack to his physical integrity. The Haitian union sector and the UN/OAS international civilian mission overseeing respect for human rights in the country intervened in his favor, according to our information.

In military circles, it was said that the soldier who struck the unionists was demoted and expelled from the Army.

Women's Organization Calls For Mobilization

FL2105205793 Port-au-Prince Signal FM Radio in French 1030 GMT 21 May 93

[Text] The idea of an international police force as a solution to the Haitian crisis continues to provoke protests on both sides. In a press release, SOFA [expansion unknown], an organization working in the women's field, has denounced the self-seeking character of this U.S. initiative and condemns the UN/OAS civilian mission's behavior in the Haitian crisis.

In SOFA's opinion, the civilian mission makes the coupists' work easier. SOFA calls for mobilization against the threat of intervention hanging over the country, an intervention that will be used only for protecting the coupists, stated Roselaure Milfort for SOFA on behalf of Haiti's women.

El Salvador

FMLN Rejects Accusations of Destabilization Plan

PA2505041293 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 24 May 93

[Text] The Farabundo Marti National Liberation Front [FMLN] rejected government accusations of an alleged destabilization plan. Juan Ramon Medrano, official FMLN spokesman, said it is the Nationalist Republican Alliance [Arena] party and the government that have an interest in rousing the people and making a show of strength to instill fear in the community. Here is what Juan Medrano said:

[Begin recording] [Medrano] There has been a willful misinterpretation of what is happening. The government wants to rouse the people and make a show of strength to instill apprehension and fear among the people and to revive the specter of militarism. The government feels that we are forced to accept quietly any act of instigation or repression. They are mistaken. The FMLN is a political, electoral force, with an interest in a calm situation. This way the people can trust in a state of law and the possibility of respecting the law, in the same way that the security forces must respect the lives of citizens.

Our people, however, are being harassed by the government and by the riot police. Many of our comrades have told us not to forget that there are thousands of former combatants in this country, many thousands of Salvadorans participated by supporting war. This could turn into a new state of violence and the Salvadoran people are not willing to return to the past. The people do not want to return to the past, which means militarism and disrespect for life. [words indistinct] want respect for the lives of Salvadorans, respect for our political gains, and an end to militarism.

[Unidentified reporter] Then, in principle the FMLN rules out, or should I say, rejects the notion that it is engaged in any type of destabilization activity, as has been expressed by [Vice President] Jose Francisco Merino. Is that right?

[Medrano] I would like to know the logic behind creating instability in this country. Who would gain by this instability? Who would gain by this polarization? Arena or the FMLN? Obviously, Arena has an interest in [words indistinct] militarism and repression. [words indistinct] right-wing president such as [Armando] Calderon Sol. The FMLN wants to reach a consensus; it wants tranquillity, respect of the laws, peace, a national agreement, and democracy. We are the ones more interested in there being no [words indistinct] or instability. So, the ones who are fostering instability are the right wing and the government. President Cristiani should come out and [words indistinct] between the instigating right wing and the people, with the FMLN, so the process can continue and there will be respect for life, respect for the agreements, and respect for the opening of political opportunities. [end recording]

FMLN Holds Convention, Elects Board of Directors

PA2505043993 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 24 May 93

[Text] The Farabundo Marti National Liberation Front [FMLN] elected the San Salvador municipal board of directors on 23 May during an enthusiastic, and at times tense, convention. The Farabundo Marti Peoples Liberation Forces [FPL] obtained the most votes, with the support of more than 1,000 convention members. The second political force was the Salvadoran Revolutionary Party [PRS], also know as ERP, which came in with approximately 800 votes; the third was the Communist Party of El Salvador [PCES] with nearly 700 votes; the fourth was the National Resistance [RN] with more than 400 votes; and the fifth was the Revolutionary Party of the Central American Workers [PRTC] with 100 votes. Ana Elisa Mesa, from the RN women's organization, was elected to head the Secretariat for Women. Mario Ernesto Segovia, 19, from the FPL, will head the Secretariat of Youth. Segovia used to be the leader of San Salvador's urban militias.

In its first year of election experience, the FMLN faced some difficulties in electing the municipal board of directors. An unidentified FMLN leader explains the situation, minutes before matters heated up, resulting in accusations of fraud among the participants. Here is what the FMLN leader said:

[Begin recording] [Unidentified FMLN leader] The problem is that the computers have not given us the complete list.

[Shouting in background] Fraud, fraud, fraud. [end recording]

Nevertheless, a skillful proposal presented by Jorge Shafik Handal—unanimously approved—restored calm to the convention. The outcome of the vote was no surprise. Of the 10 secretariats in San Salvador, three will be for FPL; two for the ERP; two for the PCES; two for the RN; and one for the PRTC.

President Cristiani on 20 May War Disabled Incident

PA2405235693 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 24 May 93

[Text] President Cristiani announced on 24 May that the commander in charge of the riot police who opened fire on the war disabled in front of the presidential palace on 20 May will be removed from his post. The president also said that five members of the riot police were arrested in the wake of the repression against the war disabled. For the first time since the violent repression that left at least one war disabled dead and two missing, the government officially admitted that the riot police reaction was uncontrolled and uncoordinated. The results of the investigation of last week's incident, which

is being carried out by the criminal activities commission with the support of the UN Observers for El Salvador, will be announced in the next 48 hours, according to the president.

[Begin Cristiani recording] We are still compiling information. Originally it involved a lack of coordination on the part of the riot police on the procedures to follow in that sort of event. Ballistic tests have shown that at last five of the 10 rifles on hand during the demonstration were fired. The others did not appear to have been fired, according to ballistic tests. It has also been determined what rifle fired the bullet that caused the boy's death. For the time being, it has been decided that the five police officiers who fired the five rifles will be kept under arrest, pending completion of the investigation. All details of the investigation will be turned over to the Fourth Criminal Court judge in the coming days. We will have concluded the investigation of the case in 48 hours. [end recording]

Guatemala

Army on URNG Propaganda Plan, Move Toward Terrorism

PA2505012093 Guatemala City PRENSA LIBRE in Spanish 22 May 93 p 4

[Text] Army spokesman Julio Alberto Yon Rivera has stated that the Guatemalan National Revolutionary Unity (URNG) is making public its announced plan to manipulate the masses, inasmuch as documents inciting students to demonstrate have been found in some schools.

Yon Rivera added that on many occasions the Army has denounced the rebel strategies and the people have observed the terrorist campaign that now includes bombs, while the rebels continue to speak of a revolution that supports itself in foreign doctrines that have not been accepted in any part of the world.

He added he regrets that the rebels try to intimidate the media to obtain more coverage and as a means to manipulate public opinion and try to practice democracy through violent means.

As for the presence of armored vehicles, members of the Mobile Military Police, and trained dogs that are part of the riot squad, the military spokesman said that "the Army is obligated to cooperate with the security forces when the situation calls for it."

Concerning the alleged stagnation of the talks between the government and the URNG, the military spokesman emphasized that "the rebels are promoting war, and this group has tried to subjugate the country through violent means by moving toward terrorism."

He pointed out a private helicopter owned by Erick Mata had been destroyed in a harassment action in Actzumbal, a village in Nebaj, Quiche Department.

Government spokesman Arturo Alvarado Perez said it is strange that the URNG calls the government "warmongering," when the rebels have presented a document that is "not negotiable," something that contradicts their proposals.

URNG Detonates Pamphlet Bombs at Media Facilities

PA2205183393 Guatemala City SIGLO VEINTIUNO in Spanish 21 May 93 p 3

[Text] Pamphlet bombs were detonated on the evening of 20 May in front of the Televisiete Television facilities and EL GRAFICO newspaper, while other news media such as Teleonce Television and SIGLO VEINTIUNO received threats.

The pamphlets, signed by the Guatemalan National Revolutionary Unity (URNG), read: "We are approaching crucial moments for our revolutionary struggle..."

They likewise ask student, labor, and popular leaders to continue exerting pressure.

Minister Announces Government To Protect Buses

PA2105151493 Guatemala City PRENSA LIBRE in Spanish 19 May 93 p 20

[Text] Following a meeting with representatives of the urban transportation sector, Government Minister Rolando Perdomo Sandoval announced that the government will protect buses.

"For strategic reasons" the minister abstained from giving any details on the security plan agreed on with the transportion sector, represented by the Urban Transportation Coordinating Board.

The minister said during an impromptu news confrence that security forces will protect the urban bus service "to the best of their ability."

Perdomo Sandova noted: As long as a group of criminals insists on harming urban transportation units and on acting against the security and property of Guatemalans, the security forces will intervene to impose order, and this implies protecting buses.

In connection with the protection offer from the government minister, Rudy Maldonado, president of the Urban Transportation Coordinating Board, said that it would have to be consulted with the transportation workers assembly. The transportation strike was suspended a few hours later.

According to Maldonado, the students, by setting on fire 11 special service buses, breaking windows, and causing other minor damage to another 32 regular service buses, caused loses of more than 5 million quetzales.

The government, through official spokesman Arturo Hugo Alvarado Perez, has announced that it will respond to a Guatemalan National Revolutionary Unity communique, published as a paid advertisement, blaming the Serrano administration for the tense situation in Guatemala City.

Alvaro Perez said the government is not trying to impose guarantee restrictions, although he did not discard this possibility. He noted that the guerrillas "are already meddling" because "they want political chaos."

Honduras

Discua on Drug Trafficking, Other Issues

PA2505033393 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 24 May 93

[Interview with General Luis Alonso Discua Elvir, commander general of the Armed Forces, by Raul Balladares; place not given, on 23 May—recorded]

[Text] [Discua] I think that, as the president has organized an investigative commission, all of us who are part of the Executive Branch are at his disposal, and as such subject to the president's orders.

[Balladares] General, this morning you spoke about people linked to drug trafficking trying to destabilize the Armed Forces and even General Discua Elvir. Have the appropriate measures been taken and has any investigation been made?

[Discua] We are investigating. Drug trafficking.... [pauses] It is not just to destabilize the Armed Forces. We should not be too specific. They seek to destabilize the whole country. We have an example in Colombia, where drug trafficking has not only harmed the Armed Forces, but all sectors throughout the country. In Peru, Bolivia, and other countries, they continue to fight this plague, which is fatal for all. It is not just fatal for one specific group of society, but for all. Obviously, enforcing the law and repressing crime and drug trafficking, which is what concerns us, carries the greatest burden. The judges who apply justice are also in danger, as are the authorities who order law enforcement or the repression of these criminals. In other words, we cannot individualize. The police and the Armed Forces, of course, fight the criminals head on, as far as repression and law enforcement is concerned. We must not forget, however, that there are other authorities involved in this process. Even Honduran society has a responsibility in the struggle, because if drug related violence increases, we will all be hurt: the whole society, parents, business, private enterprise, the government, and all the institutions that make up the state and society. This, then, is a very dangerous matter.

[Balladares] Is the situation that alarming, general?

[Discua] As I said, it is very critical, although not bad enough to start a witch hunt or harm people or government officials, no. But we must be very careful, because examples have been set in other countries, where crime has managed to infiltrate the media. That is quite dangerous, because the media works with public opinion.

[Balladares] Is this because Honduras is a main crossroads for drug trafficking, mainly from Colombia?

[Discua] For many years Honduras has been a basic element in this criminal activity, because of its geographic location within Central America, where air, land, and sea routes meet.

[Balladares] Is recruiting still going on, despite your orders to suspend such activities?

[Discua] Unfortunately, yes. As I said, this is something that is beyond my control.

[Balladares] But the Armed Forces has a vertical chain of command, does it not?

[Discua] Definitely. You are right. We are going to hold accountable those who have disobeyed an order, not only by the commander in chief, but also a violation of a resolution issued at the Congress against recruitment, which I, as commander in chief, presented. Those who have disobeyed this order will be held accountable, in accordance with the military code of justice.

[Balladares] On the media issue. Are there groups already under the control of drug traffickers?

[Discua] As I said, I cannot produce evidence of this, because I do not have any, and I cannot speculate. I can tell you that based on examples from other countries, no segment of society is free from these people's influence, as they move millions, even billions of dollars. I have the statistics for 1992 that show that drug trafficking in Latin America increased by an amount greater than the national budget in each country.

[Balladares] One last question, general. You met with the two strongest presidential candidates for this election year: Osvaldo Ramos Soto and Carlos Roberto Reina. What did they discuss with the Armed Forces chief?

[Discua] We met with the Armed Forces Senior Council. I maintain in constant contact with the candidates, not only these two, but with the others such as the Christian Democratic Party and the Social Democratic Innovation and Unity Party. The talks are very cordial; whenever there is a problem we talk. So, the Armed Forces is always aware of political developments, although we do not get into each party's strategic matters. I think the freedom there to handle political issues is good, given that all Hondurans are politically aware and want social, political, and economic stability; liberty; and the possibility of strengthening democracy, the most precious thing of all. Despite there being storms and dark clouds that could spoil democracy in Latin America, I believe

that we Hondurans have not forgotten the principle of dialogue and national agreement, as groups here communicate to try to find unity and wellbeing for all.

[Balladares] What do you think about the constitutional reforms that have been in the news lately?

[Discua] That is a purely political issue, and we must abide by the law.

[Balladares] What about the intent to prolong the term of office for President Rafael Callejas?

[Discua] He has been clear and firm in his statements. He said it once, at the opening of the current legislature. The government has said it repeatedly. I believe we should not doubt the president's word. If he is our president, we must respect his word and his decisions.

Discua Announces Inquiry Into Recruitment Practices

PA2405205593 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 24 May 93

[Report by Jose Danilo Izaguirre]

[Text] As a result of an incident in Colon Department, where it is said that certain military officers have apparently engaged in irresponsible recruitment practices, General Luis Alonso Discua Elvir, commander in chief of the Armed Forces, on 18 May ordered all branch chiefs and commanders to suspend recruitments as of that date. The commander in chief discussed the incident, which took place last week.

[Begin recording] [Discua] The report you have disclosed is already being examined by the Armed Forces judge advocate to establish the responsibility of the individuals named in the report.

[Izaguirre] What is your opinion of the bomb that was discovered in [name indistinct]?

[Discua] I am truly concerned that actions like these are taking place now that we are about to elect our fourth constitutional president as part of a process that began in the 1980's. It leaves the impression that someone is always trying to hinder the country's peace and tranquillity and its democratic process. [end recording]

In the commander in chief's opinion, it is very suspicious that just when we are about to hold a constitutional, democratic election in Honduras and when we thought that all our problems had been overcome through the national dialogue—in reference to ideological issues—bombs are being placed to the detriment of the people.

[Begin recording] [Discua] This prompts us to examine carefully these incidents to see what we can do about them in the future.

[Izaguirre] What is your opinion regarding Carlos Andres Perez?

[Discua] I do not want to express my views on that issue because it involves the domestic policy of a country, a country with a similar outlook to ours, and our president has always maintained very cordial and continuous relations with Venezuela. I must decline comment.

[Izaguirre] You can, however, confirm to the Honduran people that the Armed Forces will guarantee the electoral process?

[Discua] Definitely. The Armed Forces will always reinforce democracy to maintain a climate of peace and tranquillity for all Hondurans. [end recording]

The Armed Forces commander in chief also feels that the Armed Forces have behaved in a professional manner and are willing to cooperate with the judge advocate's investigation.

Nicaragua

Arsenal Concealed in Car Repair Shop Explodes

PA2405190293 Managua Radio Catolica in Spanish 1100 GMT 24 May 93

[Text] People living near the site of an explosion in the early morning of 23 May have been unable to return home because the police have cordoned off approximately one block in the area. The police report said that at least one person was killed. Three people are missing and are feared dead because human remains have been found on roofs and in a 300-meter radius around the site where the explosion occurred. Twenty houses were destroyed in the Santa Rosa neighborhood. An entire block was damaged and 21 vehicles that were in the auto repair shop where the explosion occurred were destroyed. The auto repair shop served as a front for the arms cache that exploded.

The police are continuing to investigate to establish the number of weapons that were concealed at this site, which is considered one of the largest arms caches ever found in the country. The weapons included surface-to-air missiles and .50-caliber machine guns.

The huge explosion shook Managua at approximately 0200 [0700 GMT] on 23 May. It occurred in a Santa Rosa neighborhood car repair shop where there was a huge arms cache. The repair shop was owned by a Spaniard who has lived in Nicaragua for seven or eight years. It is said that he was a member of the Spanish Basque guerrilla group, ETA [Basque Fatherland and Liberty]. He is identified as Miguel Angel Antonio Larios Moreno, who lived in the Don Bosco neighborhood with some relatives who disappeared early on the morning of 23 May after the explosion. They were apparently told of the explosion and were able to escape. The police are searching for them, especially Larios Moreno, to try to establish who is responsible.

Sources say that the arms cache contained weapons from the Salvadoran guerrillas. After cordoning off the area on

23 May, the police brought out a large number of weapons and ammunition that were still at the site. These included antitank mines, C-4 explosives, 81-mm mortars, and more than 200 rifles. The police also found Soviet-made SAM-7's, TNT, and detonators. A total of 237 rifles were removed from the site. These included AK, M-16, and Galil rifles. The police also removed grenades, 60-mm mortars, machine guns, RPG-7 rocket launchers, ammunition for .50-caliber and M-60 machine guns, and grenade launchers.

Spaniard Larios Moreno, who was the owner of the car repair shop, escaped from his house early on the morning of 23 May. The police found his house practically empty. No documents were found in the house. The police did find some bills, photographs, and weapons. The Spaniard, who is being sought by the police, drives a red Datsun.

The list of injured people issued by the police on 23 May is as follows: Maria Vargas, 65; Maria Ayala, 18; Harry Gutierrez, 9 months; Abel Gonzalez Martinez, Carolina Ordonez; Flavia Delgado Caceres; and Diomedes Martinez. Three people were apparently killed. They were a couple who worked as caretakers and a Salvadoran who lived at the site. He is missing and it is believed that he was also killed in the explosion. Twenty-one vehicles and 20 houses near the car repair shop were destroyed.

FPI Not Eligible for Government Plan Benefits

PA2405145493 Managua BARRICADA in Spanish 22 May 93 p12

[Text] The Leftist Punitive Forces (FPI), unlike the other groups of rearmed men who are active in the north, "are not eligible" to receive the socioeconomic benefits of disarmament contained in the government Guarantees for Life and Work Plan, Government Minister Alfredo Mendieta announced on 21 May.

During a news conference to give the first official reports of the military plan against rearmed men, which the government has been implementing since 18 May, Mendieta indicated the FPI are classified as engaging in "terrorist behavior."

An arrest warrant was issued for FPI leader Frank Ibarra Silva and three other group members, who are accused of killing farmer Arges Sequeira. "Anybody with pending legal matters will have to answer in court," and only in case of "minor" sanctions can extraordinary deals be made with the follow-up commissions, which were set up within the framework of the plan. These commissions are made up of a prosecutor, a judge, a Government Ministry official, and a departmental chief of police.

Mendieta noted the FPI recently established contact with the Special Disarmament Brigades (BED) through third parties but were told their entering the disarmament enclaves would not absolve Ibarra or any of the other suspects implicated in Sequeira's murder.

He added a special operation is under way to arrest them. When asked by a reporter, Mendieta said "at no time have we talked about or considered an amnesty, pardon, or anything like it."

Accompanied by Lieutenant Colonel Ramon Ernesto Sosa and Police Subcommander Reinerio Medina, the government minister said that the deadline for the rebels to enter the nine disarmament zones could be extended beyond 1 June, if significant "progress" is made in the talks with them.

Five days after the start of the plan, the authorities reported that over 300 armed men entered the enclaves, not counting the other 100 recompas who are willing to congregate at El Zarayal's disarmament zone.

It is estimated there are 1,200 armed men, organized in over 600 groups. The official said 300 of the total number of armed men are committing "vandalism." Without entering into details, he said that so far "some skirmishes without casualties" have been reported between the government and rebels. Over 2,000 soldiers, police, and BED personnel are participating in the security plan.

Editorial Outlines Pending 'Urgent' Government Tasks

PA2505025893 Managua EL SEMANARIO in Spanish 20-26 May 93 p 5

[Editorial: "Urgent Tasks and Prescribed Experiments" by Sergio Ramirez Mercado]

[Text] The government of President Chamorro, during the second half of its mandate, must understand that to hand over a good administration, it has, more than experiments, urgent tasks to accomplish. These urgent tasks have to do with the whole country's destiny; experiments have to do with the fickle fundamentalism of the international financial organizations. Let us see.

Urgent tasks that need to be accomplished, for the country's sake, are to give the adjustment plan a sense of purpose, allowing for at least minimal economic development. At this stage of the game we cannot talk of high growth rates for the next three years, but at least we can speak of a reasonable, effective, and productive opening through new and dynamic credit and job creation policies.

Otherwise, the great sacrifices by citizens to control inflation and monetary stability will have been in vain. The river has been drained to prevent floods; this is no solution, it is senseless.

Another urgent task, which we welcome because it has already been put into effect, is the application of a public security plan in the countryside to protect personal safety and property, and thus facilitate production. Likewise, an urgent task is to define emergency plans for the country's critical areas, such as in the west, and to define and apply a program to save the ecology to prevent

Nicaragua from becoming a desert, without trees, animals, or sources of water, where life is unbearable.

All these hurried privatization plans are experimental and in no way should they be considered urgent tasks. They cover essential public services such as electric power, potable water, and communications. Health, social security, and education are the government's unshirkable responsibilities. These experiments are the brainchild of magicians who, from their desks within organizations based in Washington, prescribe them at the flick of their wrists. Their pupils here hurry to copy these experiments to get good grades.

Many of these orthodox prescriptions, when applied to our poor reality, are absurd. One example is the proposal to privatize an 18th century railroad. This railroad has practically disappeared, but the proposal—call it an imposition—was accepted. Those sorts of experiments destabilize society instead of helping it to recover from economic stagnation.

There is no room for more experiments. We need for everyone to join forces to make Nicaragua come out ahead and not to confuse citizens with proposals that cause division and generate rejection. The government has no reason to feel obliged to accept everything that is imposed from abroad. This is the work of minds not familiar with our reality. Their ideas soon go out of style, but they are tragic styles nonetheless.

Panama

Electoral Tribunal Suspends Panama City Mayor

PA2505024693 Panama City Circuito RPC Television in Spanish 2300 GMT 24 May 93

[Text] The Electoral Tribunal decided to suspend Panama City Mayor Mayin Correa while investigations against her are being conducted, according to what has been established in Article 2160 of the Judicial Code. According to the Electoral Tribunal, the measure was adopted because the proof submitted by the private prosecutor constitutes serious evidence of the possible illegal use of state funds to allegedly favor Popular Alliance, a political party currently in the process of being registered. The act is a crime, according to Electoral Code Article 320, No. 10.

The Electoral Tribunal resolution states it is a well known fact that Correa, using her position as mayor, has been pressuring Electoral Tribunal officials by conducting public demonstrations during office hours in an attempt to scare off the witnesses that were scheduled to testify against her.

The resolution also states it is a well known fact that the mayor has refused repeatedly to show up at the Electoral Tribunal for an inquiry, even though she has been duly summoned according to the law.

According to the resolution, another well known fact is the arrest of personnel at the Mayor's Office in possession of weapons, including high-caliber weapons that were not legally registered.

The Electoral Tribunal resolution was submitted to the Executive Branch, which appointed the mayor, and was signed by Magistrates Eduardo Valdes Escoffery, Guillermo Marquez Amado, and Dennis Allen Frias as well as Secretary Melba D'Anello Garrido.

Political Parties Express Desire for Constitutional Change

PA2405212393 Panama City LA PRENSA in Spanish 24 May 93 p 12A

[Text] New political parties and parties in the process of formation have expressed their intention of promoting a constitutional change "that will put us up to date with the future and divorce us from the past."

In a joint communique, the National Integration Movement (MINA), the Peoples Action Party (PAPO), the Popular Nationalist Party (PNP), the Civil Renewal Party, and the Independent Democratic Union endorsed the idea of promoting a Constituent Assembly.

"The call made by our political organizations, which are divorced from the practices and figures of the past regime, has been heeded by citizens who want real political transformations," the communique stressed.

It added that "our commitment of making of the Constituent Assembly a permanent action and continuing with a process to develop mechanisms of convergence that will enable us to have a new political constitution has been strengthened during the registration process."

Therefore, we will not abandon our objectives for Panama's democratization, and will double our efforts to create an alliance that will offer citizens an alternative for a real change that will permit our nation to control its own destiny," the communique added.

The document noted that "as time goes by, our country is more affected by the ineptitude and indifference of the ruling political class. The lack of substantial and profound changes in state institutions and administration further deteriorates national life.

The political organizations added that they endorse the call recently made by the National Front for a Constituent Assembly (FRENO), which seeks to "give us, in a free and democratic way, the option of struggling together and arrive at the year 2000 with a Constitution that will put us up to date with the future and will divorce us from the past."

"We reiterate that any constitutional change should have the democratic participation of all the people, in a climate of democracy, justice, and liberty. Therefore, we reject the pretension of those who want to use the

so-called 'parallel constitution' as mechanism to prolong their presence in power," the note concludes.

Linares Refuses To Reimburse U.S. Government

PA2405164593 Panama City CRITICA LIBRE in Spanish 24 May 93 p 72

[Report by Jose Otero]

[Text] According to a Foreign Ministry report, the Panamanian Government will not pay the United States $88,861 owed for four air trips on military aircraft by former President Eric Arturo Delvalle while in exile in the United States in 1988.

Foreign Minister Julio Linares said that former President Delvalle did not have the authority to act on behalf of the Panamanian Government from the moment of his ouster, because he did not exercise any authority in Panama, and for that reason "Panama is not obliged to pay the amount the U.S. Army intends to charge us."

Likewise, Linares said that the decision that former President Delvalle travel on military aircraft was made by the White House, and this Linares told U.S. Ambassador Deane Hinton.

The Foreign Ministry stated that "the so-called governments in exile are not true governments and cannot be considered as such in the strict legal sense, because they lack the legal capacity to act in the name of the government they intend to represent, from the moment they cease to exercise authority over people and objects that are inside their territory."

Security Operation Creates 'Incident' at Cuban Embassy

PA2505045593 Panama City Circuito RPC Television in Spanish 2300 GMT 24 May 93

[Report by Victor de la Hoz]

[Text] There was an incident on 24 May between Government and Justice Ministry officials and Miguel Martinez, the Cuban Embassy's charge d'affaires, when an attempt was made to disarm the mission security guard. The guard works for a company that allegedly does not meet legal operating requirements.

The incident took place while authorities were conducting an operation to get security agencies to comply with the law.

[Begin recording] [Martinez] Did you know that a small bus showed up about 30 minutes ago with over 20 policemen as if a crime had been committed? This incident adversely affects the Cuban Embassy's image. Four policemen and four individuals wearing Judicial Technical Police caps also arrived in two privately owned vehicles. Do you think that is right?

[Unidentified Government and Justice Ministry official] We apologize, but we are interested in...

[Martinez, interrupting] You apologize, but you are doing it anyway. Look at this man here with his camera and all this equipment.

[Official] We are interested in complying with the law. We came here on an invitation by the security agency you hired to take the weapon away. If the company refuses to turn it in, that is fine with us. We will continue with our operation.

[Martinez] I have nothing to do with you or the company. That is a problem between you and the company.

[Official] That is correct.

[Martinez] I am talking about the Cuban Embassy, and you have no right to do this. [end recording]

The security guard at the Cuban Embassy later relinquished his weapon.

Commerce Minister Reports on Outstanding Oil Debts

PA2405140793 Panama City EL PANAMA AMERICA in Spanish 23 May 93 p 1

[Report by Carlos Vargas]

[Text] Commerce and Industries Minister Roberto Alfaro has reported that Panama's oil debt with the San Jose Pact countries—Mexico and Venezuela—amounts to 245.7 million balboas.

The minister revealed that Panama has two debts with Venezuela. The first is for 364 million bolivares, including outstanding and current interests and debt balance, which translates into approximately $4.3 million. The second debt is for 123.4 million balboas, including current interest and debt balance. Both debts total 127.8 million [number as published] balboas.

Minister Alfaro also reported that Panama owes Mexico 117.9 million balboas for oil shipments. The debt can be divided as follows: 68.4 million balboas of principal; 12.5 million balboas in current interest; and 36 million balboas in outstanding interest.

He said Panama had presented the Mexican Government with an alternate proposal to pay the debt but it had been rejected. Alfaro added that they will meet again with the Mexican representatives to study two additional alternate proposals to confront the oil debt with Mexico.

The minister noted that the figures he had quoted reflected Panama's oil debt situation up to 31 March 1993.

The San Jose Pact, which resulted from the Middle East oil crisis, is an agreement by which Mexico and Venezuela promised to supply crude oil on easy terms to Central American countries. The terms established that 80 percent would be paid upon receipt of the oil and the remaining 20 percent would be held as an investment fund in the National Bank of Panama.

Brazil

Economy Minister Views Economic Goals

PY2405182193 Rio de Janeiro O GLOBO in Portuguese 22 May 93 p 22

[All quotation marks as published]

[Text] Brasilia—During his inaugural address, Fernando Henrique Cardoso, the new economy minister, said yesterday that inflation is the great problem that must be faced, but without sacrificing economic growth.

Cardoso said: "We must not curb inflation at any cost because the country would not bear it and I would not agree with it." He added: "We have no alternative: We grow or we grow."

The economy minister noted that the fight aginst price increases must continue. He said: "Inflation is our specter."

Cardoso said: "Inflation is the scourge of the people. It erodes the wages and drains Treasury coffers. Those who want to improve the people's situation must keep an eye on inflation."

Assuming his post with a support like no other economy minister in recent years, Fernando Henrique Cardoso warned that he will not admit any disagreement within the government on economic decisions as long as he is economy minister. He stated that he, in agreement with the president of the Republic, will steer the economic policy.

Cardoso said: "As long as I am the economy minister, I will be the one to talk about the economic policy. Those who disagree may do so internally. Once the issue has been resolved, it will become the government position."

The new economy minister described our potential favorably, asking society "to restore national dignity." He sought to forestall possible intrigues by stressing that he will always work in harmony with President Itamar Franco. To reinforce this—rather than being laudatory—Franco had affectionate words for the president. He said: "The president has been a comrade in old struggles and he is a friend for whom I have much respect and affection."

"The Country is Aware of Its Potential and is Tired of Disorder"

Here are the main points of the new economy minister's inaugural speech:

Brazil:
"I have just returned from a trip of more than 10 days. I have not slept in three days. I talked with Japanese authorities in both the financial and diplomatic fields. I did not have any difficulty in confirming Brazil's path. When asked when Brazil will become a modern country, I responded that we have already made our reforms but that we are still not aware of them. Brazilian society has already made its choice. The path has already been established. The country is aware of its potential and is tired of disorder."

Privatization:
"It is not a matter of ideology. There is no choice. A substantial portion of the privatization proceeds will be used to reduce the Treasury's debt and thus reduce interests."

Economic Opening:
"Our average rate of importation is 17 percent. As of 1 July, it will be 14 percent. Chile's rate is 11 percent. During the opening process, enterprises adjusted themselves Some enterprises experienced losses, but they adjusted themselves. The economy is experiencing an opening process, but without waste. This year exports will total about $40 billion. International reserves are large. This caused bankruptcies, discouragements, unbearably low wages, and aggravated the distribution of incomes. Despite all this, the balance is positive because we have entered a broader competition process. This is not an insolvent country or a country on the way to bankruptcy, it is making progress."

Domestic and foreign debt:
"Our $30-billion domestic debt is relatively small compared with the $450-billion gross domestic product. Our domestic debt cannot be compared with that of the United States, Italy, or other Latin American countries. The foreign debt with the creditor banks totals $40 billion and negotiations on it are being well conducted."

Poverty:
"The illusion of believing that Brazil is a First World country ends when we look internally. Massive poverty is the reason why we must implement social policies. This is the reason for President Itamar Franco's emphasis on this issue."

Budget:
"The budget will be implemented in accordance with the available funds in the Treasury. [Outgoing Economy] Minister Eliseu Resende has said he has not signed any paper. I wish I could do the same. This will be more difficult because of increased expenditures in the second half of this year. Public servants are asking for better salaries, but they must remember that public accounts must be controlled if we are to curb inflation."

Posts:
"During my time at Itamaraty, I was not free to fill posts. I just nominated two personal advisers. Nevertheless, I felt very comfortable. I am not the type of person who breaks plates. My party, the PSDB [Brazilian Social Democracy Party], knows that the Economy Ministry is a technical ministry where broad national policies are decided. At this ministry, Brazil is the great party. I need the PSDB and all other parties because I am not a sectarian."

He is not an Economist:

"I have never been afraid of my limitations and I am not afraid of saying this openly. I will need everyone, even economists. Only those who are able to listen may command."

Eliseu Resende:
"I have closely followed Minister Eliseu Resende's effort in drawing up the government economic program. That effort enabled our country to set a course. I saw Eliseu's huge work and his patient style. He perseveres. He does not raise his voice. He sometimes gives the impression that he will yield, but, when he is convinced of something, he does not."

Public Employees To Receive 85 Percent Salary Increase

PY2505020193 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 24 May 93

[Excerpt] Public servants will receive a salary increase of 85 percent. This increase has been decided on at a meeting held at Planalto Palace between President Itamar Franco, the ministers of finance, labor, planning, administration, and the Armed Forces chief of staff.

President Franco also called three representatives of the employees' strike command to Planalto Palace to announce directly to them the 85 percent readjustment. The president also reported to them the government decision to prepare a definite salary policy for public servants within 10 days. [passage omitted]

New Finance Minister's Effect on Political Balance Examined

PY2505004493 Rio de Janeiro O GLOBO in Portuguese 23 May 93 p 5

[Article by Maria Lima]

[Text] Brasilia—The transfer of Senator Fernando Henrique Cardoso from Itamaraty [Foreign Ministry] to the Finance Ministry could affect President Itamar Franco's succession and the current electoral process. If the new finance minister manages to survive the critical 90-day period and implement the economic stabilization program, he could strengthen his chances of becoming a presidential candidate, holding the so-called third possibility as an alternative to the Lula-Maluf [Luis Inacio da Silva-Paulo Maluf] ticket.

Internally, despite explicit support, the strengthening of Minister Cardoso's position could bring havoc to the PSDB [Brazilian Social Democracy Party], because the minister's rise collides with the aspirations of the Ceara State ticket seeking the presidential candidacy, which includes Tasso Jereissati and Ciro Gomes. Within the PSDB everyone is talking about the existence of an informal agreement between Gomes and Jereissati: Whoever is in a better electoral position when the ticket must be announced will be the party's candidate for president. This group from Ceara State opposes those from Sao Paulo who are better known nationwide, such as Mario Covas, Jose Serra, and Cardoso himself.

For the time being, PSDB President Tasso Jereissati is making assurances that the party will shoulder the burden of all errors that could be committed in the Finance Ministry's area of responsibility. He admitted that some members are concerned that the PSDB could be adversely affected by the existing economic crisis, but said that the party will be fully involved with Cardoso's administration.

"This ends the image of a barrier, which is always attributed to the PSDB. Only he who tries to score a goal in the area can risk a penalty," the PSDB president said.

In the several meetings held with the finance minister, the PSDB members expressed the apprehension of some party members over the 70 day average stay in the ministry of Cardoso's three predecessors in the Itamar Franco government.

"The apprehension was that in 90 days Cardoso could be demoralized, crushed, and trampled. But we have reached the conclusion that he is the right man for the right place," Senator Dirceu Carneiro (PSDB-Santa Catarina) said.

The PSDB members were calmed down by the minister himself, who gave assurances that he has absolute autonomy to set up his team to prepare and implement the government plan.

"The PSDB cannot fear to face challenges. If Minister Cardoso manages to improve the economy, he will be able to strengthen the PSDB in next year's challenge," Senator Jutahy Magalhaes (PSDB-Bahia) said. Magalhaes is the father of Minister Jutahy Junior and candidate for Bahia governor.

Despite being a possible future rival of the finance minister, Jereissati admits that today Cardoso is the most important PSDB member:

"He is the most notable among PSDB members. After Pele (Edson Arantes do Nacimento—famous former soccer player], Cardoso is the best known Brazilian abroad. When I travel abroad, everyone asks me whether I belong to Cardoso's party," Jereissati said.

To strengthen the PSDB in the national political field, Jereissati was enthusiastic about President Franco's decision to institutionalize the participation of parties in the government, giving them the responsibility for the management of his ministries. That proposal was defended by Jereissati himself some three months ago.

"The important thing is that relations with the government will be at a program level," Jereissati said.

Governor Ciro Gomes also praised President Franco's decision to involve the parties with his government policies. He said the president is right on "giving organizational consistency" to his basis of political support.

"Now Brazil will begin running on the right track," Ciro Gomes said.

Both Gomes and Jereissati said President Franco must order a thorough investigation of all the accusations by former Minister Luiza Erundina against Civilian Household Chief Henrique Hargreaves.

"The government's credibility was not undermined, but everything must be investigated, whether the accusations are against Hargreaves or against Ciro Gomes. No doubt must remain about the government's credibility," Gomes said. He does not want to tarnish the PSDB's image with any accusation not thoroughly investigated.

Separatists' Independence Declaration Canceled

PY2405124393 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 24 May 93

[Text] The Southern Pampas Region Republic separatist movement has failed. The announced proclamation was frustrated because only 200 people attended the call to meet at the town of Santa Cruz do Sul, Rio Grande do Sul State.

Because of an absolute lack of support, the proclamation of the new Southern Pampas Region Republic was canceled. The parade in which cars would parade blowing their horns also was canceled. The parade had been scheduled for the afternoon of 22 May but only one car and a bicycle attended it.

Justice Minister Abandons Democratic Labor Party

PY2505021693 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 24 May 93

[Text] Justice Minister Mauricio Correa today announced that he no longer belongs to the PDT, the Democratic Labor Party. He sent a letter to PDT President Jose Guimaraes Neiva Moreira stating that he had decided to abandon the PDT because his position as minister of state is incompatible with the position of Rio de Janeiro Governor Leonel Brizola, who abandoned the federal government because President Itamar Franco failed to comply with his second request to postpone the auction of the CSN [National Iron and Steel Company]. However, the justice minister said his problems with Governor Leonel Brizola began when he assumed the post of vice president of the Congressional Investigating Committee [CPI], which investigated corruption in the Collor government.

According to the minister, Governor Brizola was against the participation of Mauricio Correa in the CPI, and defended former President Collor in exchange for support for his candidacy for president of the Republic.

[Begin Correa recording] I can say that two ministers of the Collor government, and an important congressional figure who also supported former President Collor, have told me that there existed an agreement for President Collor's support for Governor Brizola's presidential candidacy. [end recording]

Minister Correa said he had already received invitations from the PDS [Democratic Social Party], the PMDB [Brazilian Democratic Movement Party, the PSB [Brazilian Socialist Party], and from the PSDB [Brazilian Social Democracy Party], but that so far he would rather remain without a party.

The justice minister added that he is one of the ministers who are personal supporters of President Franco, and that he is receiving full support from the president to remain in his post.

PSDB Likely To Nominate Cardoso for President

PY2505020693 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 May 93 p 1

[Text] Tasso Jereissati, president of the PSDB [Brazilian Social Democracy Party] has told ESTADO that when Fernando Henrique Cardoso accepted his position as head of the Finance Ministry, the party had placed its future and its possibilities for the presidential seat in the balance. Jereissati said that the PSDB will fully support the government, sharing in the responsibilities and assuming the risks at the side of President Itamar Franco. "We are in the party, and we have to dance. We are doomed if we are wrong," Jereissati said. However, if we are successful Finance Minister Fernando Henrique Cardoso will be the party's presidential candidate. Cardoso told Paulo Francis [not further identified], during a luncheon in New York just hours before being confirmed as finance minister, that he intended to become a presidential candidate in 1994.

Franco Appoints Acting Agriculture Minister

PY2405181593 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 24 May 93

[Excerpt] [Passage omitted] President Itamar Franco this morning named the acting agriculture minister. Here is reporter Mayrluce Villela's live report from Planalto Palace:

National Supply Company President Wilson Brandi Romao will be the acting agriculture minister beginning tomorrow. This morning, President Franco confirmed that the Agriculture Ministry will be given to the Brazilian Democratic Movement Party and hinted that he prefers the agriculture minister to be an agriculture expert and not a politician. [passage omitted]

Private Bank Debt Renegotiated, Reduced by 35 Percent

PY2405132493 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 24 May 93

[Text] Brazil has reached an agreement with the private creditor banks advisory council that allows the country

to reduce, by at least 35 percent, its $36 billion debt. This was reported to Finance Minister Fernando Henrique Cardoso on 23 May by foreign debt negotiator Pedro Malan.

Malan said the agreement will allow creditor banks to better choose among the seven renegotiation instruments they must use.

Government Studying Projects for Transport Link to Pacific

PY2005180593 Madrid EFE in Spanish 2238 GMT 19 May 93

[Text] Sao Paulo (Brazil) 19 May (EFE)—GAZETA MERCANTIL reports in today's edition that the Brazilian Government is studying three possible projects to link Brazil's transport system with the Pacific Ocean, thus providing a shortcut for its shipping routes to Asian countries.

Brazilian Transport Minister Alberto Goldman has committed himself to expediting technical studies on the projects to connect Brazil with Peru, and its ports on the Pacific Ocean, by road.

GAZETA MERCANTIL further reports that during a seminar on Brazil's integration with Andean countries, Goldman said that he would study the possibility of having the Brazilian Government approve the foregoing project as a priority need for the country.

The first project on the drawing board provides for the extension and paving of the highway connecting Cuiaba, the capital city of Mato Grosso State, with the cities of Porto Velho [Rondonia State] and Rio Branco [Acre State], which are located near the borders with Bolivia and Peru respectively.

The cost of this project totals some $80 million, as drainage ditches will have to be built along the highway to prevent water from lying stagnant. In this region where rainfall is heavy, the formation of pools would facilitate the transmission of malaria.

And yet only $1 million has been allocated for this project in the budget approved for this year by the Brazilian Congress. This amount could be used as collateral for requesting an international loan.

The second project, which according to the budget submitted by Goldman would have an estimated cost of $ 0 million, involves putting the railway line stretching between the Brazilian city of Corumba [Goias State] and the Bolivian city of Santa Cruz de la Sierra in full working order.

This rail service, which was discontinued for lack of maintenance funds, would enable the transport of Brazilian products to Santa Cruz de la Sierra and from there to La Paz, from where they would be transported to a Peruvian port or the Chilean port of Arica by road.

The Brazilian state of Amazonas, however, insists on the fact that the Brazilian Government should concentrate its efforts on the implementation of a third project, which contemplates the management of a waterway through the Amazon River to the city of Iquitos, located in the Peruvian Amazon forest.

The project drafted by Amazonas State envisages Brazilian goods being transported from Iquitos to the Peruvian port of Paita by road.

GAZETA MERCANTIL states that the latter project would only entail the paving of 100 km on the Peruvian side, while if the first project is chosen Peru will have to pave 1,200 km of highway.

Brazil has long sought an outlet to the Pacific Ocean, but its need has become more apparent now in light of the boost in Brazilian trade with the new economic powers of Asia.

Public Health Workers Strike Drags On; Patients Turned Away

PY2105031293 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 May 93 p 17

[Editorial Report] Sao Paulo O ESTADO DE SAO PAULO reports in Portuguese on 20 May on page 17 in a 400-word unattributed article on the public health workers strike in the country, which already is 32 days old. It states that of the 42 public hospitals in Brazil, only 25 hospitals are operating emergency services, while 31 public hospitals are on strike. Of 8,000 doctors in the public health network, 6,800 are on strike, and 75,000 patients are turned away daily from public health centers because of the strike.

Survey Indicates Level of Support for President Franco

PY2505022193 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 24 May 93

[Text] An Ibope [Brazilian Public Opinion and Statistics Institute] survey shows how Brazilians rate Itamar Franco's government. The survey was conducted after the government announced its economic plan.

A total of 48 percent of those questioned approved the way President Itamar Franco has been administering the country; 41 percent disapproved of his administration, and 13 percent did not know or did not answer.

Ibope wanted to know how Brazilians think the country will fare in the next two years. A total of 43 percent of those questioned said the situation would remain the same, 29 percent said the situation would improve, 26 percent answered that the situation would deteriorate, and 6 percent did not know or did not comment.

Ibope also wanted to know what Itamar Franco's main concern should be. The fight against inflation came in

first, with 27 percent, while the fight against hunger and misery came in second with 25 percent.

Ibope asked if those questioned knew about the government's economic program. A total of 57 percent of those questioned said they were not aware of it; 42 percent of those surveyed said they had heard about it; 1 percent did not comment or did not know.

Questioners also asked what those who knew about the economic plan thought about it. A total of 70 percent of those questioned said the plan was good, 14 percent were indifferent, 11 percent said it was bad, and 5 percent did not know or did not comment.

Ibope asked who those questioned would vote for if the presidential election were held today. Luis Inacio Lula da Silva came in first with 20 percent, Jose Sarney obtained 17 percent, and Paulo Maluf received 12 percent.

The survey was conducted between 13 May and 17 May, and 2,000 individuals were questioned throughout the country.

Chile

Reportage on Results of 23 May CPPD Primaries

Christian Democrat Frei Wins

PY2405120293 Santiago Radio Chilena Network in Spanish 1100 GMT 24 May 93

[Text] As we already have reported, Senator Eduardo Frei Ruiz-Tagle, the Christian Democratic Party [PDC] presidential hopeful, will be the presidential candidate for the Coalition of Parties For Democracy [CPPD]. Frei won the CPPD primaries held on 23 May.

The latest vote count report issued before dawn today states that with more than 64 percent of the ballots counted, Eduardo Frei obtained 63.88 percent of the votes cast by PDC members, that is, 167,567.

This means Frei is entitled to appoint almost 600 delegates to the upcoming convention scheduled to be held on 30 May; while Ricardo Lagos, who obtained 36.12 percent, will be appointing about 300 conventioneers. We repeat that this vote count is for votes cast by PDC members only.

As for the vote count results among CPPD members, we can report that with more than 41.9 percent of the ballots counted, Frei obtained 60.44 percent, that is, 49,490. This means Frei is entitled to appoint 540 delegates to the convention. Lagos, who obtained 39.56 percent of votes, that is 32,389 votes, will elect 360 delegates.

This means that of the 1,800 delegates who were running yesterday, Frei will have 1,140 delegates. This means that, added to the 800 delegates the PDC and the Radical Party are entitled to appoint directly because they jointly had 66 percent of the CPPD votes in the last municipal election, Frei will be entitled to 1,940 convention delegates out of the 3,000 who are to attend the convention scheduled to be held on 30 May.

Frei Comments, Supports Government

PY2405132693 Santiago Radio Chilena Network in Spanish 1100 GMT 24 May 93

[Text] Christian Democratic Party [PDC] leader Eduardo Frei pointed out that the country and all the member parties of the Coalition of Parties for Democracy [CPPD] have benefited from the CPPD primaries:

[Begin recording] The CPPD, each and every CPPD member party, and especially the country have benefited. I wish to express my special thanks to the militants of all the political parties. I never felt that those who voted for Ricardo Lagos were voting against me. I urged all PDC members and supporters not to vote against Ricardo Lagos. I asked them to cast their vote with the CPPD and Chile in mind. I asked them to vote consciously. [end recording]

Frei added that with these results he assumes the responsibility of giving continuity to Patricio Aylwin's government and keeping the CPPD united:

[Begin recording] I am assuming a great responsibility because we have undertaken the task of giving continuity to the great government headed by Patricio Aylwin, of keeping the CPPD united because I think this is what the Chilean people really want. This is what they have expressed these past days and especially today. Those approximately 600,000 who registered to vote, and those approximately 500,000 who cast their vote have expressed the desire of the great majority of the Chilean people who see in the CPPD the possibility of attaining more justice, freedom, and development, especially those Chileans who still live in poverty and neglect and to whom we are going to devote our greatest efforts. [end recording]

Eduardo Frei said he has the support of the entire CPPD and promised he now will devote his time to drawing up the CPPD government program together with the people and not behind four walls.

Frei ended by stating that the important things are the values and principles for which one struggles, rather than the people.

Socialist Lagos Concedes Frei Victory

PY2405135093 Santiago Radio Chilena Network in Spanish 1100 GMT 24 May 93

[Text] Socialist Party [PS] candidate Ricardo Lagos invited his supporters to join Eduardo Frei in celebrating his victory.

[Begin Lagos recording] Therefore, let us also join Eduardo Frei in celebrating his victory because he is the future Chilean president. We will do so with the feeling that we have fulfilled our duties, we will do so with the dignity with which we address someone with whom we

competed loyally, but we also will do so with the dignity and loyalty we represent, with the dignity and loyalty of the task we have undertaken. We will do so in the understanding that the coalition is a coalition of similar forces. [end recording]

Lagos also answered those who wonder what he will do now by stating that he will continue to serve Chile:

[Begin recording] I want to tell those who are wondering what Ricardo Lagos will do from now on that I will continue to do what I have always done: serve the people. We served the people when we struggled against the dictatorship, when we were in prison, when we were ministers, when we were candidates. But one does not need to hold a post to serve the country; one only needs the desire, passion, strength, and courage. I have plenty of passion, desire, strength, and courage. [applause] [end recording]

Lagos added that it has once again been proven that the CPPD does not exist without the PS, the PPD [Party for Democracy], and the PDI [Leftist Democratic Participation Movement].

Lagos went on to say that the competition with Frei has ended and the process of cooperation with his government has started.

Aylwin 'Happy' With Primary Results

PY2405140293 Santiago Radio Chilena Network in Spanish 1100 GMT 24 May 93

[Relay by Maria Angelica Rodriguez from Stockholm]

[Text] President Patricio Aylwin voiced his happiness over the way in which the [Coalition of Parties for Democracy—CPPD] primaries developed. He said the important thing is that his government be replaced by a government of the Coalition of Parties for Democracy:

[Begin recording] I should not give an opinion on the matter because it is a decision by the political parties. Basically, what I want is that the CPPD be united. I think the experience of the CPPD government has been positive for Chile and I want the government that follows mine to also be a CPPD government, which, I believe, is the best thing for our country at the current stage of its development.

[Unidentified reporter] Are you happy with the CPPD primary results?

[Aylwin] I am happy the primaries developed smoothly and conventioneers were elected in a democratic manner and that they will be able to make the decisions they are sovereignly supposed to make. [end recording]

Aylwin Delivers State of Nation Address

PY2405221593 Santiago Radio Chilena Network in Spanish 1902 GMT 21 May 93

[State of the nation address by President Patricio Aylwin from the Honor Hall of Congress in Valparaiso—live]

[Excerpts] If nobody objects, a little after completing three years in government and having begun the last year of my mandate, I am complying with the constitutional duty of reporting to the country on the political and administrative state of the nation.

The way in which the political, social, and economic life of the country has gone by during this period should be reason for legitimate satisfaction for the Chilean people, especially for those of us responsible for running the country.

The transition from an authoritarian regime to the normal functioning of our democratic coexistence has gone by without traumatic distress. Chile lives in peace; people live in freedom; the country is making progress. [applause] Our political stability, economic growth, and social development are praised abroad.

As with every country, especially those that are part of the developing world like us, we have problems and difficulties. The greatest of them is poverty, which sometimes is extreme and affects many fellow countrymen. The great challenge we must face, with a sense of nationalism, is to overcome these obstacles with courage, justice, and efficiency.

Since I came to power I have maintained that in order to successfully face this challenge we should carry out several tasks simultaneously: build national unity, consolidate and improve our democracy, develop and modernize our economy, promote social justice, and integrate Chile as a respected country in the international community.

If we think about it, these tasks complement each other. The validity of freedom, equal democratic participation, overcoming extreme poverty, the elimination of social injustices, and the prestige of the nation are essential prerequisites to attain a true and solid national unity. I think all of these are national tasks with a historical projection that go beyond one administration and, as they are complied with, acquire new forms. By attempting to make as much progress as possible in each of these tasks, we dedicated and will continue dedicating the best efforts of our administration.

What have we done last year, what are we doing, and what will we continue to do until the end of my mandate to comply with this task? That is what I intend to summarize in the general guidelines of this speech. Honorable congressmen, you will find the specific details of this report in the explanatory annexes from each ministry.

First, national coexistence. To fairly appreciate how much progress we made in the task of national unity, it is necessary to recall that when I assumed power barely three years and 70 days ago the country was coming out of a long period of deep divisions in which, for several reasons, a war logic prevailed in our coexistence, dividing Chileans into friends and enemies. The main characteristics of this atmosphere of permanent and deep internal conflict were the following:

First. Civil liberties, especially the rights of speech, expression, assembly, and creating organizations, were suspended or at least seriously curtailed.

Second. The many charges of very serious violations of essential human rights committed by organizations or individuals connected with the regime—even though its authorities denied it—motivated repeated international condemnations against the regime.

Third. Frequent criminal actions, homicides, kidnappings, robberies, and bomb attacks had generated an atmosphere of insecurity generally attributed to the action of terrorist groups.

Fourth. An atmosphere of mutual disbelief, distrust, and reciprocal suspicion separated the large majority of civilians from the members of the security and Armed Forces.

Fifth. The administration of state and public matters was a subject restricted to only a few authorities. Official controls either did not exist or were restricted, leaving the public without truthful information.

Sixth. While the accomplishments attained in some economic aspects and the privatization of certain public companies generated an image of prosperity and wealth among some groups, they did not benefit the large majority of the people, who, to the contrary, suffered greater unemployment, impoverishment, and insecurity.

Based on this reality we have promoted a peaceful and equal policy of national coexistence in which the country is now living.

Besides the full validity of civil liberties and total respect for human rights, the search of consensus or agreements among the political, economic, and social agents based on the acknowledgement of our legitimate differences has constituted the permanent characteristic of our administration's profile, something I hope my fellow countrymen will appreciate.

I will now analyze our 1992 achievements in the following fields: National reconciliation in relation to past human rights violations, citizens' security, civilian-military relations, administrative openness, and honoring of the social debt. I will refer to this last topic when I discuss the social policies. I will now analyze the other topics:

National Reconciliation. I have always said that to ensure reconciliation among Chileans it is indispensable to clarify the truth and do justice whenever possible in the case of the most serious human rights violations, and in an attempt to solve the problems of political prisoners, exiles, and dismissed people.

Human Rights Violations. When the Truth and Reconciliation Committee report was released in March 1991, it established the truth about what really happened in the country. No matter what reasons have been given to explain those deeds, for the sake of the victims, we had to make justice. To this extent, the government trod two paths: On one hand, it promulgated Law No. 10123 establishing the obligation to compensate victims' families and creating the National Reparation and Reconciliation Board Corporation. On the other hand, it transferred the dossiers to the courts so that responsibilities could be established. In compliance with this law, 4,093 people have benefited. Spouses, mothers, fathers, and children of the victims are receiving monthly pensions from the Social Welfare Normalizing Institute, 821 are receiving educational subsidies or scholarships, and 63 others have been assigned homes. Still in compliance with the same law, by June 1992 we created the National Reparation and Reconciliation Board Corporation Council to solve 766 cases for which the evidence was found to be inconclusive by the Truth and Reconciliation Committee. Of these, 256 were decided in favor of the affected parties. The new deadline established by a law promulgated on 19 April benefited newly filed cases and those that still may be filed. This corporation, helped by the firm cooperation of the Investigative Police, also is dedicated to investigating the cases of people still missing.

After I personally conveyed to the courts my belief that the Amnesty Law does not prevent deeds from being investigated, the courts now are trying—as everyone knows—several cases in an attempt to establish responsibilities for crimes that caused serious human rights violations.

Political Prisoners. When I took office, 384 people were under arrest for political crimes, and many others were enjoying provisional freedom. In addition to the promulgation of laws proposed by the government, I have resorted to the power bestowed upon me by Law No. 19055, dated 1 April 1991, and pardoned 141 political prisoners by canceling or commuting their pending sentences—now only nine inquests still are pending—while 224 other prisoners have been released because they already had been acquitted or served more years in prison than they had been sentenced to by the courts. Currently, only 19 people are still in jail for political crimes. Of these, six have been found guilty and applied for pardon.

The exercise of the legal faculty granted to me by the initiative of opposition congressmen who rejected the formula the government had proposed to legally solve these cases has motivated harsh criticisms against the president of the Republic. I have been accused of creating an atmosphere of impunity that could favor the perpetration of more crimes. I consider these criticisms very unfair.

As I said on several occasions and I now reiterate, I made these decisions after seriously analyzing the records and circumstances of each case, especially the offender's will and probability to reinsert himself into peaceful life. No pardon has meant impunity. Not one. But each pardon has represented a reduction or commutation of the unfulfilled portion of a sentence within terms I believed to be fair. And it is my satisfaction that none of the people favored by these pardons has again committed a crime. [applause] In keeping with this same criteria, I will resolve the cases that are pending or may yet come.

Return of Exiles. Through April, about 40,000 Chileans had returned to the country out of the 250,000 thought to have left Chile for political reasons. Of the total amount of people who returned, the National Office for the Return of Chileans created by Law No. 18924 has helped 33,000 people, that is, more than 10,000 families, to reintegrate into national life, a task carried out with the valuable cooperation of the UN Office of High Commissioner for Refugees and of the International Organization for Migrations.

The Chilean Air Force's recent cooperation to repatriate a large number of fellow countrymen who lived in the former Soviet Union constitutes a testimony to the spirit of national reconciliation that inspired this task.

Given that 58 percent of the heads of family who returned to Chile are professionals who obtained their diplomas abroad, the implementation of Law No. 19074 has been very important in allowing them to exercise their profession in Chile. Of the 1,050 cases resolved favorably, 415 have definitively been authorized, including 100 medical doctors, 40 architects, 52 engineers, and 24 dentists.

Beside the customs benefits their parents are entitled to, the basic, high school, and first-year college studies of the children of the fellow countrymen who returned from exile is ensured thanks to Law No. 19128, including free care for all public health services. More than 15,000 people have used this benefit.

The Office of Subsistence and Reinsertion has given support to 9,087 low-income Chileans who returned, and 5,486 have obtained jobs through direct government support. Within these programs, we must stress the importance of the creation of 513 small and mid-size companies by people who returned, which also means employment sources for other Chileans.

A bill extending the operations of the National Office for the Return of Chileans until September 1994, which was prepared by the executive branch and approved by the lower house, still is pending for final approval in Congress.

The possibility of obtaining recognition for their social security contributions abroad is particularly important for the Chileans in exile who wish to return. Aware of the importance of this fair petition, the government is studying, together with the friendly countries that received the many Chilean exiles, the signature of bilateral agreements on social security. The negotiations for this are in an advanced stage, and we hope to sign the first of these agreements soon with the Federal Republic of Germany.

Social Security for the Unemployed.

As for workers who were dismissed during the regime from the public administration or from public companies for political reasons, the Senate recently approved a bill that—based on an agreement between the government and the leadership of the Chilean Unemployed Civil Workers—establishes regulations to resolve their dramatic social security situation. I trust that this bill, of basic justice, soon will be approved.

Second, citizens' security. Polls repeatedly have proven that, next to poverty, the problem that concerns Chileans most is citizens' security. Aware of the importance of the issue, in my last two messages I explained the fundamental criteria that inspire the government's fight against delinquency and terrorism. I reported on the measures that have been adopted and urged all to unite efforts to face this task as a government policy. Beyond simplistic statements that reduce the problem to how drastic the sentences dictated to the criminals are, universal experience shows that the risk of antisocial actions that endanger citizens' security depends on multiple factors such as the extreme poverty of broad segments of the population in contrast to the well-being of others; the lack of opportunities and professional training for youths; the degradation of values, which is inherent to a culture inclined to consumerism and violence; alcoholism and drug addiction; the ineffectiveness or lack of capacity of the police forces; the judicial system's slowness or ineffectiveness; the inadequacy of sentences; and the penitentiary system's inability to fulfill its rehabilitation objectives. These are some of the many factors that favor an increasing number of crimes.

To successfully fight crime, therefore, we must consider all these factors, and this is what we have been doing in our years in office.

When I come to the paragraph in which the social policies are discussed, I will comment on measures adopted to fight extreme poverty, to professionally train our youths, and on the cultural projects we are implementing. Here, I will only discuss the specific and direct measures adopted in the anti-crime fight from the police, legal, and penitentiary points of view. [passage omitted]

We cannot believe, however, that citizens' security can be ensured by simply fighting delinquency and terrorism. Their security also is affected by several other factors that are becoming increasingly more dangerous such as drug addiction and traffic accidents.

Illegal drug trafficking and drug consumption are a worrisome threat, particularly among young people and in the northern area of our country. The National Council for Drug Control is conducting several operations linked to drug prevention and the treatment and rehabilitation of drug addicts. It also is seeking to

coordinate the efforts of the government, NGOs [nongovernmental organizations], and the people within the framework of a national antidrug campaign.

Carabineros and the Investigative Police, with the support of customs and Armed Forces personnel, are working intensively to detect drug trafficking. The success of their efforts is evidenced by the seizure last year of more than 1.1 metric ton of cocaine and more than 1 metric ton of marijuana. More than 24,000 people cooperated with these institutions in various antidrug operations.

The government places special emphasis on the approval of a bill presented to Congress last year that the Chamber of Deputies currently is studying to replace Law No. 18403 on the illegal trafficking of narcotics, which, among other things, penalizes money laundering.

Regarding traffic accidents, Chile holds the sad record of suffering the highest rate of deaths due to traffic accidents in relation to the number of cars among all American and European countries. In the last three years, 4,880 individuals died in traffic accidents. This figure is almost five times higher than the number of homicides. The population must urgently become aware of this problem and take extreme precautions to avoid accidents by checking their vehicles and driving carefully. People should strictly respect traffic regulations. No exceptions should be accepted in this area.

Security is everyone's responsibility. We cannot expect society to live with a high level of security if we place the responsibility entirely on the shoulders of the state and police organizations. Everyone must cooperate in this regard. We must congratulate municipalities that have implemented measures to combat this problem.

The government, in turn, has sponsored a program of neighborhood security that will be implemented this year. The program will be financed by the Urban Improvement Fund and handled by the Interior Ministry's Regional Development Under Secretariat. The program will seek community cooperation through neighborhood organizations to detect specific needs in matters affecting security, to propose concrete solutions, and to cooperate in its implementation.

Civilian and Military Relations and Defense Policy.

In the last year we have detected a clear improvement in civilian-military relations and the government-sponsored defense policy. It is worth noting that the country today sees the Armed Forces as an institution concentrating on their specific activities and professional training in order to fulfill specific tasks and ensure our sovereignty. This perception is based on objective facts. The country receives timely information on Armed Forces activities such as the undertaking of joint exercises, the creation of new units such as Air Force Groups 3 and 9, the reinforcement of our naval and air patrol capability, our participation in UN- and OAS- sponsored peacekeeping missions, the active exchange and visits of high-ranking defense and military authorities, and bilateral military agreements with different countries in our hemisphere, Europe, and Asia. These initiatives are proof of intense Armed Forces professional activities concentrated on specific Armed Forces functions and the Armed Forces' concern for renewal.

We must add to these factors the positive influence of the study and approval of the defense budget. The process permitted Congress to make a rigorous analysis of military spending and produce a budget bill that was approved by both chambers. These factors show a clear trend toward harmony, due subordination, and trust between society, government, and the Armed Forces, and it is a clear indication our democratic process is returning to the right path.

We must note—within the context of my government's defense policy—that we must continue advancing in the process of introducing changes and adjustments to adapt the Armed Forces to modern times. Examples of these changes ares the gradual replacement of quantity for quality, the rationalization of human resources, increased training, intensifying the Armed Forces' participation in joint exercises and maneuvers, and UN peacekeeping missions. These improvement and renewal processes will be implemented maintaining the highest level of professional performance, deterrence, and defense capabilities. Our future task will be to increase our efficiency even more by incorporating technological changes according to our possibilities, increasing our presence in world events, and adapting our Armed Forces to impressive new strategic needs. All this will affect our country's future, without a doubt.

Within the framework of national defense I must note certain things about compulsory military service, military industries, and the bill modifying internal Armed Forces and Carabineros regulations.

Regarding compulsory military service, we must say that we appreciate and value proposals to create a juvenile civil service under different rules and objectives. The Defense Ministry has gathered and analyzed information on different examples and has studied the possibility of introducing changes to current military service procedures. It is my duty, however, to reiterate my conviction that our Armed Forces' basic operational structure requires compulsory military service, all this without detriment to the changes that are convenient to introduce regarding procedures, reinforcements, the labor situation of those under service, and the possible reduction of certain training periods.

My government has approved, on an experimental basis, a reduction of the extension of the present military service to 12 months for two-thirds of all military institutions and 14 months for all other institutions, the latter being caused by special training circumstances. We must note that only one of every four Chilean youngsters effectively serves in the Armed Forces. This percentage leaves a very broad margin for the creation of future

voluntary juvenile service organizations to help the community without competing with military service.

I must note the very good technological and productivity levels reached by some of our military industries and the support we give to their gradual growth, whenever they are an answer to real internal or external demands. This does not exclude, however, the obligation of all military industrial installations to carry out their operations under strict administrative and production supervision, eliminating projects or activities that are not convenient or profitable if necessary.

Regarding the draft bill modifying constitutional Armed Forces and Carabineros organic laws, I must note that all honorable congressmen are aware of the note I recently sent to the honorable Chamber of Deputies irrefutably showing—in light of constitutional and legal texts and the history of those institutions—that in our juridical system the armed and security forces, which are part of the state administration, are subordinate to the president of the Republic. The president is the head of state and has special responsibilities regarding the Armed Forces. He is responsible for the appointment, promotion, and retirement of officers, and the law names him commander in chief.

The restrictions imposed by organic laws dictated a few days before the democratic government took over contradict the clear text of these laws and the interpretation given them by the previous government because it deprives the chief of state of his responsibility regarding the Armed Forces. It also conditions his decisions to approval by the respective institutional chief. This means in practice that if the president of the Republic and the head of a military institution disagree about the retirement of an officer, the military commander's decision prevails, that is, the decision of a subordinate prevails over that of his superior.

In order to make clear that the government will respect the professional careers of Armed Forces or Carabineros personnel, the argument introducing the bill explains that it will maintain the proposal requirement in cases of appointments and promotions. The reform will then only affect retirement cases. The bill authorizes the president to retire an officer without consulting his military commander in special cases and through a decree where the reasons for ordering the retirement are detailed, and after meeting with the respective military commander.

The argument that this reform would politicize military or police institutions, or behead them, slanders the figure of the president—not against my person but against whomever is the head of state—by attributing intentions that are incompatible with the dignity of the presidency. No president in Chilean history has ever done what the accusations charge. This argument is refuted by the note accompanying the bill and by the constitutional responsibility assumed by the president and the respective minister when promulgating the bill.

We could very well argue that those who oppose this reform are trying to grant political powers to armed and security commanders apart from separating them from their professional duty to follow orders and avoid deliberating. [applause] [passage omitted]

The country knows that my government has always worked with a spirit of reconciliation, looking for consensus. But the country also knows that I will stand firm when I must defend my convictions. The present electoral system, apart from the risk of producing deadlocks which could make the system ungovernable, seriously distorts our multiparty system, deprives citizens of options from which to choose, and forces party leaderships to negotiate agreements that the population does not understand and which stain our democratic prestige.

The institution of designated senators alters congressional representativity to the advantage of those who are designating them. The fact that Armed Forces and Carabineros commanders cannot be removed, and Security Council intervention in the makeup of the Constitutional Tribunal, grants those commanders a political role that is not proper to their functions.

Let us say it frankly. All these things are traces of what the theorists of authoritarianism call protected democracy. They fear democracy, and use these mechanisms to prevent fulfilling the people's will. [applause] They say they want to defend the Armed Forces from alleged threats of politicization, when in fact they want to use the Armed Forces as a shield or as an armed branch to defend their own interests. They forget, or ignore, the lessons of history. It is precisely because I respect our Armed Forces as a national institution belonging to the entire fatherland, which should not be politicized, that I am against giving its commanders any political function. The Armed Forces begins a process of politicization and deliberation from the moment commanders are required to take sides in political decisions. [applause]

I regret that these reforms have not been approved during my government, because I fear that past experiences might happen again. I want to prevent this because I believe the people are capable of governing themselves within the framework of basic institutional regulations, without tutors. I hope time will calm the apprehensions of those opposing these reforms. I trust my fellow countrymen will think about this very important issue in electing their future representatives. [applause] [passage omitted]

Third Chapter. Economic Development and Modernization. Equitable and Sustainable Growth.

Growth, Inflation, and Balance of Payment.

In 1992 we started seeing the results of economic policies implemented by this government from its first days in office. We called our policies growth with equality. After a harsh economic adjustment during 1990, and the approval by Congress of important legal reforms in the areas of tax collections and labor legislation, the country

entered an era of rapid and sustained growth. This growth was evident in the continuous improvement in the standard of living of the population, particularly the poorest sectors, and the appearance of new opportunities for progress.

Last year the Gross Domestic Product grew by 10.4 percent and exports by 12.3 percent in real terms. This growth was achieved without affecting the stability of the economic system in effect, and was accompanied by important measures to fight inflation. The initial goal of a 15 percent rate of inflation was reduced to 13 percent at the end of the second quarter. At the end of the year our inflation rate was 12.7 percent.

The External Front.

The country's balance of payments ended with a very positive surplus, which reached $2.5 billion despite the peso devaluation in January 1992. This surplus created pressures to revaluate the peso even further, but a new revaluation was successfully resisted by the Central Bank, with government support.

Investment and Productivity. National Savings.

These positive economic results were possible thanks, among other factors, to investments and productivity improvements. Between 1985 and 1989 productivity increased with little investment but abundant cheap labor, given the high rate of idle installed capacity and the high unemployment rate. These factors were no longer there at the beginning of our government. During the three years from 1990 to the present it was necessary to increase our national savings and investments considerably, and we made serious efforts to improve labor productivity.

Last year the rate of capital investments grew by 20 percent in real terms. Domestic and foreign private sectors and the public sector contributed to this growth. Total investments amounted to 19.8 percent of the Gross Domestic Product [GDP], the highest in our country in many years. Of this total 5 percent was public investment and 14.8 private investment.

More companies were created during the past few years than during any other period. This is a revealing sign of private sector interest and its positive expectations. The government has contributed with important sums to finance development projects and fight inflation.

In 1992 we obtained an overall fiscal surplus equivalent to 2.5 percent of the GDP. The government contribution to our national savings reached 5.9 percent of the GDP despite a reduction in copper mining revenue. Companies and workers have also contributed.

Their contribution resulted in a significant 6 percent increase in productivity last year. I belive that these two factors—investment and productivity—achieve more importance by the day for our economic development. Only as we are able to substantially increase the level of national savings and investment, both in the private and public sectors, and emphatically improve our productivity will we be able to overcome the unavoidable challenge and achieve development. This is the way government has understood this challenge. The savings figures I have just mentioned show the great fiscal effort implemented last year. I must point out, however, that private expenditures increased by 15.1 percent last year and surpassed, by far, the increase in government expenditures, which totalled 9.5 percent. This is why I urge the private sector to intensify their efforts and strengthen their contributions to national savings. In the past, the low level of savings created a serious obstacle to achieving a dynamic and unrelenting development, generating sudden fluctuations because of excessively high levels of indebtedness abroad, the rhythm of which steadily increased. In the 1980's the level of national savings totaled 9.5 percent of national production. During my years in office, however, we have reached an average 18.7 percent level. This is the highest level of savings over three years since 1960. We must duplicate our efforts to achieve faster growth.

The public sector has shown a tendency to save more than the private sector. This has allowed the government to finance its investment programs and to absorb, macroeconomically, the excessive private expenditures registered lately. Countries that have achieved faster growth have in common high levels of public and private sector savings, of entrepreneurial and family savings, which they used to finance the massive investment programs that were the basis of their economic achievements. I call on the consciences of all Chileans in urging them to end habits that lead to uncontrolled consumption. We cannot allow our fatherland to get used to lavish expenditures, because this sort of attitude offends the most destitute, and squanders resources that could be invested in savings, which are so badly needed.

It is neither healthy nor good for a family to put themselves into excessive debt to finance consumption levels—often luxurious—which they cannot cover with their normal income. It is not fair to expect the government to spare its expenditures, especially in the social field, if the private sectors does not do so too. Our efforts must be focused on designing administrative and tax mechanisms that expedite, promote, and reward the voluntary savings efforts made by individuals and families, which is where we have made less progress.

Government Support for the Modernization Process.

Within this context my government has strived to implement a process to modernize our economy through actions and programs. There is a high degree of consensus in Chile regarding the guidelines and contents of these programs, which include an open- door policy; the application of market mechanisms to economic decisions; granting enterprises an important role in the production sector; and recognizing the need for trained workers to be involved in the development task.

Thanks to a permanent dialogue with workers and businessmen the government has been able to take into account the needs of the various social segments in making decisions in the economic field. Within this framework, the development policy we have implemented has sought to create the necessary conditions to modernize and support the country's productive apparatus; to decidedly improve the quality of the education system and the opportunities to acquire a profession; to increase the Chilean economy's presence in international markets; and to encourage private entrepreneurs and market activities by endorsing them through the state's regulating role.

An open economy with a clear functioning of its markets is the necessary framework for the creativity of private enterprise, which is the main driving force of economic growth. It is, however, the state's duty to play an active role in promoting the modernization of the productive sector. This task entails, namely, granting small and medium enterprises access to technical assistance and to the financial markets; promoting technological development and labor and business training; providing support in entering international markets; and assuring the openness of the markets and financial systems. We are implementing programs in each and every one of these areas.

The modernization of small and medium enterprises is a basic element for productive development with social equity. We are therefore placing great emphasis on developing a vast work program in this field. We have striven to reduce the obstacles these enterprises have in gaining access to the resources available in the financial system. Technical assistance has been another priority in actions focused on the modernization of small and medium enterprises. We have expanded and improved the access that users have to the services designed to modernize small and medium enterprises. The science and technology program is allowing the promotion of new technological knowledge in the production field, and is also bringing change in the way the universities and investigative centers are linked to the business sector. Within the framework of this program we have the National Fund for Technological and Productive Development [Fontec] and the Scientific and Technological Development Fund [Fondep] which have already approved 146 projects to be executed by enterprises and investigative centers, entailing an investment of $43 million.

The national quality program is another tool for the modernization of our economy. We have chosen to make our economic opening to the world another tool for Chilean growth and development. The lowering of taxes implemented in June 1991 and the decision to capture more investments has increased our position in the international economy. The bilateral agreements signed with Mexico, Argentina, Bolivia, and Venezuela, those we hope to sign with Brazil and Colombia, and that which we will begin to negotiate with the United States will strengthen the important progress we have already made in these markets of great interest.

The promotion of international economic ties has also placed emphasis on the great opportunities offered by western Europe, Asia, and especially by Japan.

The efficient functioning of a market economy requires the constant improvement of the competition between economic agents. For this we have strengthened mechanisms that prevent the creation of monopolies, and are perfecting those mechanisms that protect domestic production from unfair practice in foreign trade.

In the public service field we have sought to guarantee an adequate balance between the enterprises' investment needs and users' interests.

The country has become increasingly aware of the need to defend consumers' interests. We have promoted the defense of consumers as a necessary tool in an economy developing its markets in an increasingly competitive manner, and not as a source of actions against merchants and producers.

By 1992 the studies on the legal reforms required to modernize the capital market were completed. They resulted in a bill which was sent to Congress in January, and is still being debated. Once this bill is approved, it will make investment in pension funds and insurance companies safer, and will create new investment opportunities. We thus hope to contribute to an improved use of national savings and its brokerage through the capital market. The government also deems it necessary to open up and make more flexible the laws regulating banking activities, and thus extend the banks' scope of activities. To equitably reconcile bank modernization it is also necessary not only to overcome current distortions in the other capital market components, but also those linked to the functioning of the banking system. In this regard the problem of the subordinated debt stands out, and a solution to this problem is still pending. To solve these problems within the context of the capital market system the government will send the appropriate legal measures to Congress, once the bill on the expansion of the capital market being debated in Congress is sufficiently advanced.

The Infrastructure Challenge. Public Works.

The country is becoming increasingly aware of serious shortcomings in its infrastructure. Our roads, railways, ports, airports, and sanitation and irrigation systems are far from meeting the needs of the Chilean people. Our inadequate infrastructure and its current poor state will soon become a bottleneck seriously hindering our development. Aware of the gravity of this problem, my administration has given particular importance to the construction programs. Compared with 1990, investment in the infrastructure increased by 22 percent in 1991 and 50 percent in 1992. In 1992 investment in the infrastructure was 130 percent higher than the yearly average during the decade of the 1980's, and we expect a

25 percent increase in the field this year. As a result some 82 percent of the four-year infrastructure program that I announced in September 1991 will have been finished by December 1993. In other words the program will have been completed in a little more than three years.

The country has witnessed the construction works going on over its entire territory. For brevity's sake I will not read the details of everything that is being done in the fields of highways, irrigation, port and airport construction, sanitation works, and public office construction. Despite the significant investment all these represent, a great deal still remains to be done. The accumulated deficiencies in the infrastructure, and the economic growth planned for the next few years—in addition to unexpected catastrophes such as that which occurred in Antofagasta last year, and that which has just affected the Fifth, Sixth, Ninth, and Metropolitan Regions—are challenges that call for financing strategies, activities planning, and the readjustment of institutional measures, to prevent our development from being strangled. The infrastructure plan currently under way has established the basic measures to meet these challenges. These measures must be complemented through new proposals which allow us to solve the main problems over the medium term. [passage omitted]

Social Justice and National Integration. Growth, Poverty, Equity, Social Spending, and Financing.

The economic growth we have just discussed in detail, which is so obvious nationwide, would be ineffective in defeating poverty if it were not accompanied by (?fiscal) policies aimed at achieving social justice.

In the years preceding the current administration, Chilean society experienced an unfair imbalance: Some were able to achieve the benefits of progress and modernization, while others remained submerged in extreme poverty.

We believe that the force needed by the country to achieve a stable development lies in the achievement of social justice and integration. Democracy and freedom acquire their full meaning only when people have the means to actively participate in society in a creative manner. Having a good education; having access to a health system; having a stable and productive job and decent housing; are indispensable conditions for the creative participation of citizens and for the effective exercise of their rights.

Consequently, the main objective of my administration has been to overcome poverty, and we are making decisive efforts toward the achievement of this goal.

The figures in this regard are quite eloquent: In 1992 around 200,000 new jobs were established, and over 350,000 new jobs have been established during the three years of this administration. This—which also means that the same number of families had their daily bread assured—has allowed us to lower the unemployment rate to less than 5 percent of the labor force—that is, the lowest unemployment rate in Chile for the last 20 years.

In 1992 salaries experienced a real growth of 4.5 percent. Throughout the three years of this administration salaries have experienced a real growth of almost 12 percent. Moreover, during this same period the minimum salary experienced a growth of 27.8 percent in real terms. Throughout this administration family allotments for workers who earn less than 100,000 Chilean pesos have increased about 60 percent in real terms. By December 1992 all pension beneficiaries—that is, 1,253,267 people—had been awarded the 10.6 percent readjustment they did not receive during the previous government.

If in addition we take into account the favorable impact that better health, education, and housing indexes and job training programs have had on the quality of life, we can assert that over these past couple of years 700,000 people have ceased to live in poverty, and that by the end of 1993 this figure will be 1 million people.

Although I am well aware that we are just beginning and that there is yet much to be done, I can categorically assert that in Chile we have launched an all-out war against poverty, and that we are winning this battle. [applause] [passage omitted]

I will now address the final chapter: Chile in the World.

During the period I am now evaluating Chile has followed a policy of active participation in international affairs, as I have reported in previous addresses.

Chilean participation in international affairs is a state policy representing superior national interests with the participation of all national sectors and leaving aside all partisan interests.

The execution of this national policy is decided by the president, in compliance with the special attributions with which he is empowered by the Constitution.

We believe that the defense of national interests at the international level is based on four main objectives: the prevalence of peace and security among nations; upholding human rights and democratic values; the development of economic ties; and international cooperation.

We believe these objectives are interrelated. This is why our actions are aimed at achieving these objectives both at the bilateral level, in our ties with other countries, and at the multilateral level through international organizations.

I am very pleased to note at this time the excellent relations we currently have with neighboring countries.

In compliance with the agreements signed with Argentina in August 1991, there was an arbitration on the Laguna del Desierto issue. The respective commissions have progressed in their task of demarcating in situ the border markers. As for physical integration, the Neuqen-San Vicente oil pipeline is in full construction and the gas pipeline project has been formalized. Bilateral trade

has substantially increased, and Chilean investments in Argentina have experienced notable growth.

With Bolivia, we have implemented a policy aimed at achieving the greatest mutual understanding possible; the promotion of economic and trade ties; and the rapprochement between our two countries.

In common agreement with Bolivian officials we solved 11 problems along our common border. We have ensured a vast free transit to Bolivia. This year we will finish the paving of the Arica-Tambo Quemado road. We have eliminated visas for Bolivians. Pending approval in Congress is the draft bill facilitating the acquisition of properties in border areas. Ties between Chilean and Bolivian businessmen have increased, and we have just achieved an economic complementation agreement aimed at increasing bilateral ties.

With Peru, we last week signed in Lima agreements on fulfilling the pending commitments which Chile contracted in the 1929 Peace Treaty. As is well known, these commitments included the construction by Chile of a pier in Arica, which is to be used by Peru; a customs warehouse; the new Arica-Tacna railroad stations; and the establishment of regions for the free transit of Peruvian products, which will also have access to a free port. In addition, we will build a monument to honor Christ the Maker of Peace in El Morro.

Although these works were built some years ago, we had been unable to agree on how to exploit them. These agreements, achieved as a result of the responsible and silent work of the bilateral commissions guided by the Peruvian and Chilean foreign ministers, establish that once these works are placed at the service of Peru, in compliance with what is written, all commitments contracted by Chile in the 1929 treaty have been fulfilled and terminated. In separate documents we also established free transit regulations with Peru; procedures to build the monument to honor Christ the Maker of Peace; and resolved the issue pertaining to the so-called Chinchorro property, located in downtown Arica and owned by Peru, where we will build Concord Park.

The signing of these agreements, which I hope will be expeditiously approved for ratification by the Chilean and Peruvian legislatures, constitutes an important and historic event which will strengthen Peruvian-Chilean friendship. I also hope it will pave the way for new means of bilateral cooperation. [applause]

My administration has granted special attention to Chilean ties with our Latin American sister nations. For geographic, historical, cultural, and socioeconomic reasons our countries share common interests and characteristics that are our trademark before the rest of the world. It is these common interests and characteristics that must compel our countries to achieve a better understanding at both the political and economic level. While on other continents countries are able to unite themselves into large associations and communities, Bolivar's dream is still for us a historical imperative.

At the political level, Chile actively participates in the Rio Group, a fundamental regional consensus for the defense of democracy, the promotion of integration, and for dialogue with other regions and world powers.

During a time characterized by a rapidly changing international scenario in which new spaces of cooperation and association are being created, the presence of a united Latin America is a historical imperative.

Chile, which this year has the honor of assuming the pro-tempore secretariat of the Rio Group, is actively contributing to the achievement of this goal. Evidence of this is the meeting of chiefs of state and government to be held in Santiago in October.

The Ibero-American summit in which Spain and Portugal also participate—and which was first held in Guadalajara, Mexico in 1991, and afterwards in Madrid, in 1992, and is scheduled this year to be held in Salvador, Brazil—is also another important instance of international cooperation, concerning in particular Latin American ties with Europe.

At the economic level, I believe that the integration of our economies is of vital importance in achieving the development of our countries.

The fact that Chile implemented several years ahead of others an open and liberal foreign trade policy places us in a special situation. This does not justify the erroneous belief that we do not want to join the overall integration process. Moreover, it does not constitute an obstacle to achieving effective progress in this regard.

Evidence of this are the free trade agreements we signed with Mexico one year ago, which have substantially strengthened bilateral trade; that recently signed with Venezuela; and the economic complementation agreements achieved with Argentina in 1991 and with Bolivia in April.

With the same objective in mind, we continue to work to seek effective understandings with Colombia and Ecuador. We grant singular importance to the agreements achieved with Brazil. We also grant particular importance to our cooperation programs with Central America.

I believe the integration process is a continuing task in which we can and must achieve progress in a realistic manner, through the achievement of both subregional and bilateral agreements; ALADI [Latin American Integration Association] has and will continue to fulfill an indispensable, fruitful, and practical role in achieving this goal.

Ties with the United States, which were fully normalized during the first year of my administration, have continued to develop to an excellent level. They are mainly

aimed at increasing bilateral commercial ties within the framework of expectations raised by President Bush's Americas Initiative.

The first contacts established between our government and the officials of the new Democratic administration are auspicious.

The visits to Washington by the finance, labor, and economy ministers and that of the minister government secretary general, and particularly the letters I exchanged with President Clinton, show the high level of consensus achieved to face a negotiation process that will conclude with the signing of a free trade agreement.

President Clinton's personal commitment in this regard, which has been reasserted by several U.S. Administration officials, specifically refers to the fact that once the NAFTA agreement is approved by the U.S. Congress, negotiations will be immediately started with Chile as a first step to expand regional trade and the establishment of a future hemispheric democratic community.

I, therefore, can assert with great satisfaction that during my administration, we have taken all the necessary steps to allow the next administration to sign a free trade agreement with the United States.

Meanwhile, we have jointly convened another meeting of the Chilean-American Bilateral Council on Trade and Investments, which is to be held next month, to further issues of common interest. This year we also hope to step up cooperation with the United States in our struggle against drug trafficking.

Likewise, in light of the fact that all judicial mechanisms were deemed to have been exhausted in seeking satisfaction concerning the so-called grapes case, I requested in March that this issue be settled by applying the provisions established in the Bryan-Suarez Mujica Treaty.

With regard to Europe, we have sought to strengthen our traditional ties of friendship and cooperation with the EEC, our number one trading partner. In the course of my state visit to France, Belgium, and the headquarters of the EEC in July, we signed several agreements on investment protection and economic cooperation. The new status quo arising from the changes experienced in the former Soviet Union and in eastern European countries demands the full and undivided attention of the other European countries. This could, however, dampen their interest in Latin America. This visit I made, as well as those made by EC President Jacques Delors, by the Swedish prime minister, and by the UK foreign secretary have enabled us to see for ourselves that Europe holds Chile in great esteem, and that the new situation confronting Europe should not result in a weakening of the bonds between the western hemisphere and the EEC. It goes without saying, though, that the future of our relations will be subject to a certain extent to the influence exerted by protectionist trends in the EC, which constitute a major stumbling block to the progress of our relations.

I hope that the tour of Sweden, Finland, Denmark, Norway, and Russia I set forth on tomorrow will be instrumental in strengthening the friendly ties existing between Chile and the foregoing countries, in opening up new horizons in trade and in promoting bilateral cooperation.

In addition to promoting ties with our traditional partners, we have also strengthened Chile's presence in new areas. Chile sees in the Pacific Basin a dynamic world full of potential. If in the past the vast Pacific Ocean was an obstacle for achieving the integration of countries on each side of its coasts, scientific and technological development and business dynamics have shortened distances and helped it to become the basis for a future Pacific Basin community. Chile cannot be placed on the margins of this process.

It is within this context that in November 1992 I had the honor of embarking on a tour of Malaysia, China, and Japan, thus becoming the first Chilean president to have ever visited Asia; in addition the minister secretary general of government paid visits to Australia and New Zealand.

An increasingly mutual understanding, the agreements that were signed, and the ties established during these tours have created great expectations for strengthening Chile's presence in the Pacific and intensifying its political, economic, and cultural ties with Pacific coast countries.

As for multilateral ties, Chile continues to actively participate in those organizations to which it rightfully belongs, the OAS and the United Nations, without detriment to its participation in other organizations, such as the so-called Group of 15. This group of countries from different continents which have achieved a medium stage of development, which Chile joined in 1992 in response to an invitation extended that same year, represents common and specific interests at the international level.

In the OAS, in addition to actively participating in the modernization process of the OAS charter, Chile has firmly supported all OAS measures and resolutions striving to safeguard human rights and democratic regimes in the region.

In the United Nations and UN organizations, Chile has actively participated in supporting those goals aimed at achieving peace, international justice, and the development of nations.

In compliance with the established legal order, we have firmly upheld the UN Security Council resolutions on conflicts in different parts of the world. Through the participation of members of the Chilean Armed Forces and Carabineros, Chile has played an active role in UN peacekeeping operations.

Moreover, convinced that in order to ensure peace among nations it is indispensable to defeat the extreme poverty burdening many countries in the world, Chile has been an active promoter of the World Summit on

Social Development, which the UN General Assembly has scheduled for 1995 in Copenhagen. Chile is honored that its ambassador to the United Nations has been appointed director of the organizing committee of this world summit.

This president is truly proud of the prestiege Chile enjoys at the international level, and I believe all Chileans must be equally proud. This well-deserved honor has been earned in a quiet manner by being consistent with the ideals we uphold; by working, modestly but tirelessly, to strengthen our democracy and promote just development; and by supporting other countries in the search for peace, justice, and the development of nations. [applause]

Honorable Senators and Deputies:

At the end of this long recount of events, about the length of which I wish to excuse myself and which is the last of my administration, allow me to make a number of reflections.

I do not believe I am being too modest when I say that despite the bleak predictions, we should thank the Lord for having achieved such positive results. I trust that we will continue along this same path at the end of my term in March 1995. The country can rest assured that we will continue to work toward the achievement of these goals with the same determination and enthusiasm that we have always shown.

It is not my intention to allege that we were always right. Like all human beings we have undoubtedly made mistakes. But no one can overlook all that has been done and all that Chile has achieved during this term. We have not only been able to fully exercise our freedoms, achieve unity and democratic coexistence, safeguard the prevalence of peace, and seek and achieve understandings; in addition the country has achieved socieconomic development. There is more affluence, less poverty, and more justice. Chile also enjoys great international prestige.

I am fully aware of all that remains to be done. Although there is much discussion about a modern society, we are still far from being a modern developed society. In today's Chile we can still witness extreme poverty, much social injustice, [word indistinct] and inefficiency.

The dream of achieving a free, prosperous, just, and fair fatherland not only compels us to continue along this path but to continue being united, to redouble our efforts, to work much harder, and to be more creative. It also demands from us more perseverance, and demands that we not weaken when faced with adversities. [passage omitted]

It has been a great privilege for me to lead the country in this stage. It has also been a great responsibility and a marvelous opportunity to serve Chile.

On this occasion I wish to express my gratitude to my fellow citizens, particularly those who trusted me, those who have helped me in this task, and those who continue expressing their support.

I urge all of them to continue with this task, to enthusiastically follow the path we are treading. It is the correct path. We must follow it for the sake of Chile's superior interests. May the Lord help us. [applause, cheers]

Colombia

Government Confident Relations With Venezuela Unchanged

PA2105141693 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 21 May 93

[Text] Santa Fe de Bogota— The Colombian Government has voiced its confidence that relations with Venezuela will remain unchanged, despite the difficult political situation facing the neighboring country as a result of the trial against President Carlos Andres Perez for embezzlement.

Foreign Minister Nohemi Sanin said integration involves only the peoples, thus there should be no obstacle on the path of the work done so far.

Gaviria Comments on Venezuela

PA2205193293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 21 May 93

[Text] During a visit to Manizales, President Cesar Gaviria broached the two topics of the hour: air security in Colombia and the Venezuelan Crisis.

[Begin recording] [First unidentified reporter] Senator Pizano says there has been preference for [words indistinct] in Pereira over Medellin's. What do you say to this?

[Gaviria] The civil aeronautics director will have to explain that. I do not have [words indistinct]

[Second unidentified reporter] [question indistinct]

[Gaviria] As I recently said, I hope Venezuelan democracy will overcome all it difficulties and that this institutional problem will be resolved in accordance with the country's democratic rules. [end recording]

President Gaviria Interviewed on Visit to San Andres

PA2105122693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 21 May 93

[Interview with President Cesar Gaviria Trujillo by Carlos Julio Bethancourt in San Andres, Colombia on 19 May—recorded]

[Text] [Bethancourt] President Cesar Gaviria's visit to the Caribbean Sea ended in San Andres on 19 May. He

visited the islands of Roncador, Quitasueno, and San Andres. Mr. President what is your evaluation of the visit?

[Gaviria] It was a good visit. I am extremely encouraged by our islands and am pleased with the excellent job being done by the Colombian Navy in protecting and patrolling the area. I am pleased to see that Colombia has been increasing its presence in the Caribbean Sea. We have an area of exclusive economic jurisdiction, which is as important as our own continental territory.

[Bethancourt] What is the boundary situation in these Colombian waters?

[Gaviria] I would say fine. In a certain way we are recognizing our right to the sea. We are recognizing our 200-mile exclusive economic zone. We are exercising our international right to apply the rules in Colombia and our archipelago in San Andres and Providencia, with its islands and keys. The exercise of this jurisdiction has been the result of agreements and treaties with the various countries.

[Bethancourt] What did you like most about the trip?

[Gaviria] I liked many things, the beauty of the islands and the keys, and the preservation of the islands. We have enjoyed beautiful days. I was pleased to see the patriotism of the boys in the Colombian Navy and the love with which they carry out their mission.

[Bethancourt] Were you ever sea sick?

[Gaviria] No, I was never sea sick. I like the sea.

[Bethancourt] Did you dive?

[Gaviria] Yes, I dove in Serrana.

[Bethancourt] This is all the information we have now.

Foreign Minister Answers Nicaraguan Complaint

PA2105184493 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 21 May 93

[Report by Carlos Julio Bethancourt]

[Text] Colombian Foreign Minister Noemi Sanin spoke on 20 May about the complaints made by Nicaragua after the inspection visit by President Cesar Gaviria to the San Andres and Providencia Archipelago.

President Cesar Gaviria's visit to the islands of San Andres and Providencia was what bothered the Nicaraguan Government, which issued a bitter communique on the visit.

Colombia intends to claim sovereignty over maritime areas that belong to Nicaragua, according to the communique issued by Nicaraguan Foreign Minister Ernesto Leal after listening to the statements made by the Colombian president.

On the afternoon of 20 May, Colombian Foreign Minister answered the Nicaraguan Government.

[Begin Sanin recording] We have a treaty that dates back to 1928. It is called the Guerra-Barcenas Treaty. It is a perfectly drafted treaty and it was ratified in perpetuity by both countries on 5 May 1930. [end recording]

Colombian Foreign Minister Noemi Sanin de Rubio said she is unaware of the communique issued by the Nicaraguan Foreign Ministry, but said she is confident that everything is legal between Colombia and Nicaragua regarding the maritime and submarine areas.

Minister, Generals Go to Ecuador To Increase Cooperation

PA2305231293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 23 May 93

[Text] Defense Minister Rafael Pardo, General Ramon Emilio Gil, commander of the military forces, General Luis Alberto Rodriguez, chairman of the Joint Chiefs of Staff, and Octavio Vargas Silva, police deputy operations director, traveled to Ecuador on the morning of 23 May. The purpose of their trip is to strengthen cooperation agreements with the Ecuadoran Armed Forces in the struggle against guerrillas and drug traffickers on the border.

Country Signs Organic Coffee Agreement With Germany

PA2405011493 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 23 May 93

[Text] Colombia and Germany have recently signed an agreement to produce organic coffee, it was announced on 22 May in Manizales.

Representatives of Germany's International Technical Cooperation Agency visited Manizales said this agreement totalling $2 million will be implemented over eight years.

German experts have said that no chemicals will be used to process the organic coffee. No herbicides or pesticides will be used on the plantations.

Both parties agreed to organize, exploit, pack, and market jointly the modern product and open new markets in Europe. Within a few months we will have the so-called organic coffee on the world market, particularly in Europe.

Alliance of Coffee Producers Being Formed With Brazil

PA2305201993 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 23 May 93

[Text] Santa Fe de Bogota—The Colombian and Brazilian Governments have announced the creation of an alliance of coffee producers to deal with the marketing of that product in international markets following the

failure of the International Coffee Organization, OIC, talks in March. The decision to form this new international organization was made by Jose Eduardo Andrade Vieira, Brazilian industry and commerce minister, Colombian Foreign Trade Minister Juan Manuel Santos, Colombian Finance Minister Rudolf Hommes, and Jorge Cardenas Gutierrez, manager of the National Federation of Colombian Coffee Growers, during a meeting on the night of 22 May. The organization will have to obtain the support of the coffee producing countries of Africa and Central America, which have been invited to join the producers' union.

The proposal was made by the Brazilian minister to facilitate the marketing of coffee in the medium term. It was explained that the idea is not to create a cartel of producers because the group will not get involved in controlling coffee prices. The Brazilian official will meet with President Cesar Gaviria in Cartagena on 23 May to consolidate the creation of the producer group. A similar meeting will be held in Pereira on 24 May with the representatives of the Central American coffee producer nations.

Former Members of Search Bloc Reportedly Missing

PA2305011593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 22 May 93

[Text] Two policemen who were formerly members of the Search Bloc looking for Pablo Escobar and who reported to the Prosecutor General's Office that several officers, noncommissioned officers, and members of the elite corps were part of the Persecuted by Pablo Escobar group are now missing. There has been no news about them for 10 days. They are key witnesses in the investigation.

Paraguay

President-elect Comments on Talks With U.S. Ambassador

PY2405184793 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1600 GMT 24 May 93

[Excerpts] U.S. Ambassador Jon Glassman this morning paid a call on likely President-elect Juan Carlos Wasmosy.

Glassman and Wasmosy discussed both political and economic issues. They both expressed their desire to find solutions to the various problems the new government will be facing.

Ambassador Glassman announced the U.S. Government's recognition of Wasmosy's victory. [passage omitted]

For his part, Wasmosy voiced satisfaction with the presence here at his residence of Ambassador Glassman, who came here to greet him and congratulate him on the election's outcome. He said specific projects to be implemented with the United States already have been drafted.

[Begin Wasmosy recording] I told him that if they truly want to help consolidate this democratic process, they also must help us consolidate economic stability in our country. To this effect, we have talked about obtaining, with U.S. support, $1 billion in the next three years at the Inter-American Development Bank and the International Bank for Reconstruction and Development. This fund will be earmarked for infrastructure development projects in our country.

We also discussed cooperation in fighting money laundering and the drug trade with a new system and with another presence here of those planes that already had come here. Our doors are open. We are not bound by any commitments in this area and we will not cover up any activity of that kind.

We also discussed Paraguay's joining GATT and that, as soon as we reach a higher stage of development, we also would seek to join the North American Free Trade Agreement. In sum, we reviewed a broad range of topics. We expressed our desire to serve, to leave our imprint on the Republic by holding talks and seeking agreements with Congress. I have absolutely no problem with doing that. I believe the opposition itself has accepted our government program. Thus, I harbor the hope that congressmen from opposition parties also will support this program. [end recording]

Electoral Records Sent to Congress, Final Results Disclosed

PY2405174693 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1600 GMT 24 May 93

[Report by Stella Ruffinelli at the Casa de la Cultura in Asuncion—live; all figures as heard]

[Excerpts] Without any ceremony and under tight security, the vote tally records were transferred today from the JEC [Central Electoral Board] building to Congress here at the Casa de la Cultura.

JEC Chairman Jose Luis Ibarra Llano, other JEC members, OAS observers, and legal representatives of the leading political movements came here this morning to deliver the electoral documents.

They were received here by Senator Gustavo Diaz de Vivar, Congress' president; Jose Antonio Moreno Ruffinelli, president of the Chamber of Deputies; Colorado Senator Jorge Raul Garcete, chairman of the joint committee charged with studying the documents; other committee members; and other deputies and senators. [passage omitted]

Today, 15 days after the 9 May election, we also were able to obtain the final results of the elections. We want

to make it clear, however, that we obtained these figures from unofficial JEC sources.

According to these results, the Colorado Party won the presidential election with 473,176 votes, which accounts for 40.09 percent; the Authentic Radical Liberal Party [PLRA], 378,353 votes, which accounts for 32.06 percent; and National Encounter [EN], 271,905 votes, which accounts for 23.04 percent.

As we reported earlier, the Senate will be controlled by the opposition. In fact, the PLRA and EN together won 25 seats against 20 seats for the Colorado Party in the future Senate. The Colorado Party obtained 498,586 votes, 42.3 percent; the PLRA, 409,728, 34.76 percent; and the EN, 203,213 votes, 17.24 percent. Thus, the Senate will consist of 20 Colorado members, 17 PLRA members, and eight EN members.

Bicameral Committee Formed To Review Voting Records

PY2405162393 Asuncion NOTICIAS in Spanish 22 May 93 pp 2, 3

[Text] During a special congressional session yesterday, a bicameral committee was formed to review the vote tally records that will be submitted by the Central Electoral Board [JEC] on 24 May. Despite the opposition's arguments, asking that the bicameral committee be formed with an equal number of opposition and ruling party congressmen in order to project an image of wisdom and credibility, the ruling party imposed its majority.

After the session began, Carlos Maria Ocampos Arbo, the ruling party's bloc leader in the Senate, proposed forming the committee with four senators from the majority and three from the minority. He also proposed keeping the same numbers in the Chamber of Deputies. Ocampos Arbo's proposal was endorsed by Eugenio Sanabria Cantero, the Colorado Party bloc leader in the Chamber of Deputies.

Later, Adalberto Mongelos, in the name of the PLRA [Authentic Radical Liberal Party] bloc, noted that, at this time, the political class must give signs of justice and impartiality. Therefore, he asked that the bicameral committee be formed with an equal number of opposition and ruling party congressmen.

While endorsing the same position, Febrerista Revolutionary Party [PRF] Senator Fernando Vera said the ruling party should be interested in equal numbers of committee members. Afterward, the legislators advocated other positions. The ruling party senators rejected the possibility of forming the committee with an equal number of ruling party and opposition congressmen. Deputy Jose Pappalardo went even farther by pointing out that the fact of allowing six places for the opposition already represented "a generosity," taking into account that the opposition does not want to recognize the elected candidate.

After a nominal vote in which 58 congressmen voted for Ocampos Arbo's proposal and 31 congressmen voted for Mongelos' proposal, a recess was called. During this recess, the bloc leaders and the presidents of the two chambers unanimously elected the committee members who will review the vote tally records. It is appropriate to note that Senator Carlos Romero Pereira was the only Colorado Party senator who voted for the opposition's proposal.

The Members

The bicameral committee is made up by Colorado Party senators Abraham Esteche, Juan Manuel Frutos, Jorge Raul Garcete, and Artemio Vera. The opposition will be represented by PLRA Senators Rodolfo Gonzalez Garabelli and Silvio Velazquez and PRF Senator Fernando Vera. The committee also includes (Colorado Party) Deputies Eduardo Venialgo, Jose Pappalardo, Bernardo Rodriguez, and Miguel Angel Ramirez, and (PLRA) deputies Luis Guanes Gondra, Cesar Benitez, and Carlos Caballero Roig. After reading the names, the congressional session ended. The committee met in order to advance working guidelines. During this meeting, the committee's executive board was formed. The executive board members are the following: Jorge Raul Garcete (chairman), Rodolfo Gonzalez Garabelli (deputy chairman), and Miguel Angel Ramirez (sponsor). It is appropriate to note that a judgment will be passed after the [committee's] review, but Congress actually will pass final judgment on the elections.

Peru

Shining Path Kills Mayor in Alto Huallaga

PA2205032693 Paris AFP in Spanish 0232 GMT 22 May 93

[Text] Lima, 21 May (AFP)—The police reported that a Shining Path commando unit on 21 May killed Freddy Aliaga Cardenas, mayor of Tocache Province, located in Alto Huallaga, Peru's most violent region, 700 km northeast of Lima.

The source said the murder is the first "reprisal" against those who did not obey Shining Path's call for a 72-hour compulsory strike from 17 to 19 May. The compulsory strike, which was to mark the 13th year of Shining Path's armed struggle, left 15 people dead in various areas of the country.

Witnesses said a Shining Path commando unit machinegunned Aliaga at the door of his house when he came home from work at the Tocache Provincial Municipality located in the city of the same name.

Aliaga, an economist, was elected Tocache mayor in the January municipal elections. The police said he was "an enemy of Shining Path."

Alto Huallaga is an Amazon valley, which was declared in a state of emergency in 1988. It is considered the area with the highest rate of violence in Peru.

Approximately 200,000 peasants cultivate coca in Alto Huallaga, where there is intense activity by the Peruvian and Colombian cocaine cartels, which pay money (approximately $100 million a year) to the Shining Path for armed protection.

De la Puente, Congressmen on Venezuelan Situation

PA2105213893 Lima Global de Television Network in Spanish 0307 GMT 21 May 93

[Text] Oscar de la Puente, Council of Ministers president, has avoided commenting on the case of the Venezuelan president. Congressmen, however, have supported the Venezuelan court.

[Begin recording] [De la Puente] Peru respects the international principles of nonintervention and freedom of determination. We therefore respect the Venezuelan Government's domestic decisions and express our wish for permanent calm and peace in that sister nation.

[Unidentified reporter] Would a trial affect bilateral relations?

[De la Puente] The Venezuelan Government made a unilateral decision to suspend relations with Peru. The Venezuelan Government, therefore, must take the initiative upon which the two countries can make a common effort to reach an agreement to renew relations.

[Change 90 Congressman Carlos Ferrero] Democracies can remove an indicted person from the Presidency and try him without disrupting constitutional order or drastically altering political life.

[Change 90 Congressman Cesar Fernandez] These decisions are healthy because they preserve the people's trust in government officials and so the authorities will fulfill their duties and not make a mockery of the people.

[Independent Moralization Front Congressman Julio Chu] This strengthens democracy and gives state branches a democratic grooming. I do not know why some of our presidents who had problems similar to those of Perez were able to stay without facing a court.

[Unidentified congressman] Had this happened in Peru 18 months ago, the situation in our country would be different now. We think the Venezuelan Supreme Court of Justice ruling makes it clear that Venezuelans still have a democratic government and that the three branches are autonomous. [end recording]

Court Summons Montesinos in Missing Students Case

PA2205154893 Lima Global de Television Network in Spanish 0307 GMT 21 May 93

[Text] The Supreme Council of Military Justice has summoned former Army Captain Vladimiro Montesinos, who is currently a National Intelligence Service officer, to testify in the case of nine students and one professor from La Cantuta who are missing.

The summons appears in Communique No. 13 of 20 May issued by the Supreme Council of Military Justice. The summons was issued at the request of the military court prosecutor. The summons has been issued in the framework of military investigations related to Proceedings No. 157-B-193, opened to clarify the disappearance of nine students and one professor of the Enrique Guzman y Valle University, La Cantuta.

The summon does not say on what day or hour the former Army captain would appear in court to testify.

Fujimori Interview on Current Issues

PA2405201493 Lima Panamericana Television Network in Spanish 0200 GMT 24 May 93

[Interview with Peruvian President Alberto Fujimori by Guido Lombardi at the Lima Panamericana Television station studio—live]

[Text] [Lombardi] Just as we announced, President Fujimori is in our studio to talk on several current issues, some of which are on the verge of a crisis. Good evening, President Fujimori. Thank you for honoring our invitation.

[Fujimori] Good evening. It is a pleasure to be here for this interview.

[Lombardi] I would first like to touch upon the subject that was the beginning of our Panorama program today, a very serious accusation against the INABIF [National Institute for Family Welfare]. Some children have died and, in addition, some of the shelters that you opened have been closed down and their plaques have been removed. What is happening there and what measures will you take?

[Fujimori] I have watched the program and heard previous reports. As everyone knows, child welfare is one of my personal concerns. I am familiar with most of the shelters. I think that the public has seen on television the condition of these shelters. One example is the Maranga Minors' Institute, which you would not recognize if you took a look at it now. The place had previously been a sort of prison, where all types of vices proliferated. The shelter was the worst imaginable place. It is still not a model center, but the management is remarkably better. Several deaths, 10 or 12, have been mentioned in the program. It would be interesting to find out from where these children came. I understand they came from the Biru Minors' Shelter or the one that replaced it. This

shelter, located in Bella Vista, took care of children from birth to three years old only. These children were malnourished and anemic when picked up, and they represented a high risk. Apparently, the children presented on the television are of the kind that were picked up.

[Lombardi] No one doubts that deaths can occur. Nevertheless, Mr. President, we think that there is something that should be investigated: clandestine burials in nonofficial graveyards. This is what we think should be looked into and we are sure that you will do it.

[Fujimori] Agreed. But the important thing that must be clarified is whether or not there has been neglect in the management of the Biru or Maranga Minors' Shelter. But, in anticipation, I am under the impression that this is not so. Some people have reacted to the radical measures taken, such as the removal of certain officials. Maranga was wrong. Such measures elicit reactions of revenge and accusations.

[Lombardi] We are aware of this, but we will keep insisting on the need for an investigation. Let us now touch upon the week's political subject. Why are the investigations on so serious an accusation, the one related to the disappearances of La Cantuta, leading nowhere?

[Fujimori] I wish to interject something here. The accusations have been aimed at several targets, including Gen. Hermoza, certain officers, and the Army. In all of this regrettable public and political debate, we have forgotten that Shining Path and the MRTA [Tupac Amaru Revolutionary Movement] are Peru's number one public enemy. In this debate, it is the state that can emerge the loser in this struggle, both from an ideological and psychological viewpoint. What is Shining Path's argument? It has always said that the state is corrupt, a violator of the human rights, repressive, criminal. But this is not true. This subject needs to be carefully dealt with by all parties, but taking care to get at the problem's core and never forgetting that Shining Path is the public's number one enemy. Let me finish before you ask any other questions. For instance, the Inter-American Human Rights Commission, which has been here in Lima for several days ....

[Lombardi, interrupting] And met with you.

[Fujimori, continuing] And met with me and several other officials, has dealt with these problems carefully I understand, so as not to harm the government, which confronts a very dangerous enemy, described by the United Nations as genocidal. What do I mean? We must distinguish clearly between the violations perpetrated by a group of persons, be they military men or policemen—something that can occur and has occurred—and other violations committed by the government. The public has been led to confusion. The state now is portrayed as the violator, but these violations are committed by individuals. I can see two clearly differentiated concepts here: Individuals may have committed these crimes, which must be investigated. However, that investigation must not tarnish the country's image. Let us not return to the years 1980 and 1985-90, when the state systematically resorted to violating....

[Lombardi] That is precisely why I thought it would be more appropriate to begin our interview with that question, President Fujimori. I believe the delays and the obstacles being encountered by the CCD [Democratic Constituent Congress] Human Rights Commission, could give the impression that the state, not any specific person, would like to hide something. If there is nothing to hide, then why not make things easy? It is being said in the CCD that after having arrived to an agreement within the commission, something disrupted that agreement and the majority decided to adjourn the meeting. Did you have anything to do with this?

[Fujimori] Unfortunately, it is being said with the most incredible ease, that the official majority is submissive to President Fujimori's orders. I understand that this is part of the traditional political game. Well, I have chosen to remain sidelined from all those affairs. If you allow me to make some observations with respect to Congress' responsibilities, I would like to point them out at once. Congress has been empowered with constitutional duties approved by the population, in addition to two other normal congressional duties: to supervise as well as to legislate. With respect to legislative duties, or enact law, all governments and all presidents seek some agreement between the Executive Branch's politics and the Legislative Branch's position. It is here where there must be close cooperation. At this time this is not the case. It is important for this not to be mistaken with lack of autonomy. Congress must be autonomous in its supervision duties. Why? Because it is not only going to supervise the president or the cabinet ministers. It is going to supervise everyone alike. The state might then have 500 officials and it is here where we will have are supervision duties. [sentence as heard] At this time, the majority must conduct themselves as the majority because they have been chosen by the people to govern. In this respect, I believe that things have been a bit distorted because it would seem that the minority wants to govern. When things turn out unexpectedly, then they begin to comment about this or that. I believe that the Republic's Congress must adopt a position, regardless of what it is. I repeat, regardless of which position so long as we can continue with our strategy to defeat terrorism. The strategy consists in that the state, the Army, the Armed Forces, and the National Police must emerge stronger on every occasion. Why? What is the main point of this issue?

[Lombardi, interrupting] Please allow me....

[Fujimori continues] The point is to be able to rely on the population's support.

[Lombardi] Do you not believe that clarifying the La Cantuta incidents and punishing those responsible will strengthen the state...?

[Fujimori, interrupting] I agree....

[Lombardi continues] The Armed Forces....

[Fujimori, interrupting] Now, who is to carry this out?

[Lombardi] Carry what out, the struggle against terrorism?

[Fujimori] Who is to carry this out? Let Congress decide who is to carry this out in accordance to constitutional interpretations. However, we must not fall into discussions that sometimes imply political interests.

[Lombardi] Mr. President, in case the presence of Captain Vladimiro Montesinos should be required to contribute in this investigation, should he appear?

[Fujimori] Where? Before Congress?

[Lombardi] Yes, before Congress.

[Fujimori] I repeat, this is a decision that Congress must make. They have to decide on one position or another.

[Lombardi] His presence before Congress does not worry you?

[Fujimori] It does not worry me whatsoever.

[Lombardi] The latest edition of Peru Report says that you are not distressed by human rights violations when they directed against proven or suspected Shining Path members. On the other hand, you are quite concerned when violations affect innocent victims. Is this information correct?

[Fujimori] I bet that the information quotes unidentified presidential sources.

[Lombardi] Yes.

[Fujimori] Then you should have asked which presidential sources. I do not understand which presidential palace source could disclose such an information when I do not discuss my position on this issue with anyone. Maybe I....

[Lombardi, interrupting] Then comment on them with us now.

[Fujimori] Of course. My position with respect to the second issue is well known. I am quite concerned about human rights violations against those who are not Shining Path or MRTA members. Everyone is quite familiar with this. I normally follow up on those cases through the computers, and sometimes I telephone the attorney general [Blanca Nelida Colan Meguino]. On other occasions I coordinate with the justice minister [Fernando Vega] to initiate investigations through the Office of the Prosecutor General. That is well known. However, I also do it with those persons who have already been formally charged and sentenced as result of terrorist activities. I am one of the few presidents who has visited the different prisons on several occasions. I want to do my best to avoid these type of reports. I have demonstrated this position on several occasions. The instructions relayed to the National Police and the Armed Forces are clear. How many terrorists have been captured during the past year? Approximately 2,000. Now tell me. Can any of the 2,000 terrorists show even a scratch? Not one.

[Lombardi] I have been able to perceive from your answer that you are aware of the danger involved to the country in having these charges left unclarified. There is no more Cold War or East or West Bloc. We now have countries with economic resources and countries in various stages of development. Assistance received from these countries will be linked to human rights issues.

[Fujimori] Whether or not assistance is conditioned to human rights issues, the policies of my administration will follow the same direction: respecting human rights. Why should we have to violate human rights when starting in 1990 there was a radical change in the way the struggle against terrorism was handled?

[Lombardi] In your meeting with the OAS human rights commission, did you perceive any form of foreign pressure from the United States, for example?

[Fujimori] No, absolutely none. That is why at the beginning of the interview I said the commission has displayed a great deal of moderation and objectivity. The press communique, which was also sent to me, acknowledged that some progress has been made in the area of human rights; it cited, for example, improvements in our penitentiary policies at Lurigancho and many other prisons and it contained recommendations that I accepted. I am pragmatic where this issue is concerned. For example, we are a little behind in one of the recommendations that I found interesting. [words indistinct] a legislative decree to limit attorneys who defend terrorists to one case, because we found that members of the Association of Democratic Lawyers [AD] were becoming accustomed to these cases and had established a routine for defending terrorists. However, 2,000 terrorists have been captured and they do not have 2,000 lawyers.

[Lombardi] So modifications are necessary.

[Fujimori] Yes, modifications are necessary. We must adjust this legislation as well as legislation on minors who perpetrate terrorist acts.

[Lombardi] Last week EL PERUANO published the draft bill of the new constitution in a special supplement. Mr. President, in preparation for this interview I reread the speeches that you delivered on 5 April 1992 following the movement and on 18 May 1992 at the OAS. In those speeches you offered new institutions, a new, more realistic democracy that would be closer to the people and more aware of their feelings. Do you believe this bill expresses the hopes that you expressed to the country?

[Fujimori] I will make a confession. You did not warn me and I have not read that publication in its entirety. I

followed the debates on the issue. The 5 April message expressed certain concepts, one of which involved the Legislative Branch, which as we know, was wasting away in useless discussions and obstructive positions that were leading nowhere.

[Lombardi] Do you believe this can be resolved, for example, with a unicameral system?

[Fujimori] At least there would be greater fluidity and less participation in debates that very often are quite lengthy. I believe some progress has been made along those lines and that the idea has been acknowledged because I have always proposed a small Congress and Legislative Branch characterized by fluidity and functionality. With regard to the Judicial Branch, I believe that some progress has also been made. An effort has been made to correct the defects that were caused by the appointment of Judicial Branch members through certain mechanisms that were distorted either by political or partisan interests. I believe the proposed changes are in order.

[Lombardi] Mr. President, it is evident that this bill includes new institutions, but the issue is whether or not we are transforming the Constitution. This draft contains 300 articles and in the end the new constitution will have as many articles as the 1979 Constitution, and it will be just as regulative. For example, in education, social security and labor it textually repeats the 1979 Constitution and adds a few regulations, for example, the provision that retirement pensions must be indexed to inflation. If this device had been in force, you would not have been able to make the 9 August 1990 adjustment and, therefore, as a country, we would not have been able to set out on the path to economic recovery. Do you not believe these things should be part of the law?

[Fujimori] Yes. I fully agree that the 1979 Constitution as well as the constitution that is being worked on now are regulative. The Constitution should be a frame of reference and everything else should be established in the laws.

[Lombardi] Perhaps that is why in the decree summoning Congress you called for two referendums to approve the Constitution.

[Fujimori] I had forebodings. However, this bill is the result of a consensus and, by the way, an interesting consensus. Dr. Carlos Torres has statistics, which if he shows them, will [words indistinct] a vote. This is a consensus between Change 90/New Majority Movement Coalition and the many political organizations. However, let us return to the specific point, which is unquestionably a political, even demagogic ingredient because it is an issue that we will not be able to fulfill over the next few years. The state is undergoing very severe economic problems, which means that indexing is out of the question. Why create expectations that cannot be fulfilled? I believe that all of the branches of state and all of the authorities must be very sincere with the people.

[Lombardi] Why say that the state will guarantee housing, health, and employment when we know that these are just aspirations? I wish this would come true, but placing this in the Constitution as an immediate guarantee generates false expectations and disappointment in the short term.

[Fujimori] When I was rector of the National Agrarian University I read the Constitution and it states: Agriculture is a priority activity. I said to myself: But what priority is it receiving? Absolutely none. It has been relegated to the back burner. When I became president of the Republic I realized the disastrous situation facing agricultural.

[Lombardi] President, you talked about consensus. It is evident consensus within a group of parliamentarians is not enough when it comes to the Constitution. We must seek the participation of very broad segments of the population. This is why this bill was published: To receive commentaries and suggestions, and promote debate.

Very broad proposals were received in the national dialogue for peace and development that your government also promoted. Do you think that 30 days—in June, which is nearly here already—will be enough to incorporate the elements [words indistinct]? Why is there such a rush to approve the new constitution given that Mr. Torres y Torres Lara said that we will have a constitution by 28 July?

[Fujimori] I will reply to the latter part of your question first. I think that we do need to hurry, while taking all the necessary measures to ensure that this constitution is promulgated with the consensus and all the guarantees it deserves, because a constitution needs to be approved in a hurry given that investments are linked to judicial stability. Some claim that we currently lack a definitive judicial framework that would allow us to attract investments, particularly in the medium- and long-run. Thus, we do need to hurry. Peru needs investments as soon as possible.

As for certain suggestions—such as those received during the national dialogue for peace and development and others that could come from other sectors—I understand that the Constitution Commission has been receiving them in the course of the debates. They have been discussed extensively.

[Lombardi] The need to hurry up—on which you agree with, for example, Dr. Torres y Torres Lara. This leads me to think the whole Constitution will be approved in a referendum. In other words, Peruvians will vote yes or no for the entire Constitution and not vote for its parts.

[Fujimori] I would [chuckles] reiterate on one of the initial concepts that: The president of the Republic has subdued the ruling majority and this presumes that he has a very strong power of persuasion. I would, thus, prefer to abstain from issuing an opinion to avoid

influencing them. The CCD, in performing its constituent duties, should have sufficient autonomy on this issue and take into account the people's opinion instead.

[Lombardi] But you cannot tell me that you do not speak on the telephone now and then with members of the ruling majority?

[Fujimori] If my telephone were tapped....[laughter] Ask whether my telephone is tapped. I think someone must be tapping my telephone [laughter] [words indistinct] Dr. Montesinos would confirm that I make no more than one or two calls per week.

[Lombardi] And if it is not Dr. Montesinos, then who could be doing that?

[Fujimori] I do not know. A conversation between Dr. Montesinos and me was once made public. I do not know how that happened. If my conversations are being tapped then I urge that they be made public because I have nothing to hide.

[Lombardi] You usually travel on Sundays. I understand you visited Satipo. Why did you go there, Mr. President?

[Fujimori] I visit squatter settlements; I do not grow tired doing this. I suppose this worries some politicians. I visited Satipo because there was a congress of the peasant defense patrols from the central jungle area—(Elein), Apurimac, and Satipo—that attracted 800 delegates. I attended because we cannot only offer our symbolic support to their difficult struggle. We are achieving success in that area—where the (Achancas) live and where many of them have been subdued by the Shining Path. In the rural areas these patrols have played a successful, extraordinary, and heroic role. Many have died—they are the anonymous heroes. That was the purpose of my visit.

[Lombardi] Our program staff has noticed the successes of the countersubversive struggle in Satipo.

[Fujimori] It was impossible to go the cities three years ago. It was too dangerous.

[Lombardi] Are these successes, which are still partial, leading to excessive premature boasting? For example, your attitude during the Shining Path compulsory strike was praised even by your most recalcitrant opponents. The transportation problem, however, was not completely solved. Is there a formula to solve such problems without showing excessive premature boasting?

[Fujimori] I would say we are not boasting prematurely. The developments confirm these objective facts. The Armed Forces have a high morale and are united around their commander general, General Nicolas de Bari Hermoza Rios, because they feel they are on the path to victory; on the path to defeating terrorism once and for all. Nothing was done for 12 years of governments and congresses in which many of our critics participated. This is not premature boasting; there are results. We have taken steps with everyone's participation. There are, however, certain areas where we are still not doing well. That is the truth.

[Lombardi] Which ones for example?

[Fujimori] On the days of the so-called compulsory strike, especially on Monday, there was a lack of....

[Lombardi, interrupting] Transportation.

[Fujimori] I confirmed it myself. This was true particularly in areas a distance from metropolitan Lima. There was no transportation, let us say, past Collique. There was none in Huasca.

[Lombardi] Is the idea to offer transportation through military vehicles or guarantee safety in public transportation?

[Fujimori] The government has guaranteed it will replace any damaged vehicle. We have been doing this without much publicity from the very beginning. We have replaced virtually all damaged vehicles. We will replace the vehicle or give compensation, even if only partially, in the next 15 days to the owners of all vehicles damaged in the past few days. Military vehicles cannot replace the thousands of buses that offer public transportation. That is evident.

[Lombardi] They can only ease the problem.

[Fujimori] Of course. I think everyone, without exception, must help. We are all soldiers. We, patrol members, soldiers, police, the president of the Republic, and transporters, must assume the same risks. Patrol members, for example, are already part of—from a practical standpoint—a national defense system. They, along with the Army, have eradicated the Shining Path in rural areas.

[Lombardi] Do you think so?

[Fujimori] They have been eradicated already, or are being eradicated. They have been completely eradicated in many places. Without boasting, I can say we are near victory. We need support from transporters in urban areas. The peasant defense patrols have spontaneously participated in the defense system. If we do not have spontaneous support in urban areas, we need at least a legal framework. Buses, as well as civilian planes, should be part of that defense system.

[Lombardi] A reserve force?

[Fujimori] A national defense reserve force.

[Lombardi] Perhaps these days we should all join....

[Fujimori, interrupting] Yes. Especially now when there is a feeling of more security and guarantees.

[Lombardi] Mr. President, let us change the subject. After your evaluation, which according to you is objective, not boastful, do you believe the MRTA has been defeated?

[Fujimori] It will be this year.

[Lombardi] This year?

[Fujimori] For sure. I am sorry I do not have a chart showing the current situation within the MRTA. There are still two main leaders who must be arrested: Edmundo Cox Beauzeville and [name indistinct].

[Lombardi] According to reports, some of them are surrounded.

[Fujimori] We are following them closely.

[Lombardi] What is Nestor Serpa Cartolini's [leader of MRTA faction under Victor Polay] role at this time?

[Fujimori] He is one of the military commanders in Huallaga.

[Lombardi] Mr. President, let us change the subject. Did you have any funds in the Latin American Business Advisory Center [Clae]?

[Fujimori) No, not a cent or a dollar.

[Lombardi] You are, however, concerned about the subject, even though you are not directly affected.

[Fujimori, laughing] By the way, I do not think my wife had any funds either. [laughter in background]

[Lombardi] What do you think should be done in the case of Clae? For the past four weeks, reporters, the public, common citizens, and even those who did not have any deposits in Clae, are worried about the situation. Clae Director Carlos Manrique has already admitted he acted as a mediator for certain loans, which created speculation. Those activities are punished by law. What should be done in this case, Mr. President?

[Fujimori] I believe we have been very patient—authorities, the general public, and investors—but Manrique is the main actor. You have asked a question that I have been asking from the beginning. He must state clearly the location of Clae's main investments. He should clarify that. That would create confidence. Unfortunately, according to what the Clae director has said, those companies were not very solid. An evaluation is still pending of the alleged Madre de Dios gold mine, and the soybean investments in Bolivia. All this must be clarified.

[Lombardi] Although the superintendent says there is no information available, some details have surfaced through investigations conducted by the media on Clae. We know there are in fact investments in Bolivia, some investments in foreign stock exchange markets, and now Manrique has said there are creditors who are refusing to pay their debts, trying to take advantage of the situation and the panic. This means it is possible that in the long run, some of Clae's investors may not be able to recover their money. Although the state does not have to protect small investors who have less than $4,000 or $5,000, do you think they should receive help?

[Fujimori] The superintendency assumed that position when Clae was reopened and the directors authorized reimbursing its investors up to $5,000. This is important. Clae directors should say who has received reimbursements, and how much, because it could be that out of the $30 million, one investor—military or not—could have withdrawn $1 or $2 million.

[Lombaridi] Which was not the idea.

[Fujimori] That is right. In my opinion, the first step should be an announcement of the location of the money and how much interest is earned through those investments. A step I believe could quiet investors would be reopening Clae immediately and releasing a limited amount of funds, up to $5,000.

[Lombardi] What if the funds are lost? What would be the Peruvian state's position? What would you do as president?

[Fujimori] So far I am assuming....[pauses] because we should not promote instability and much less panic in this case. On the contrary, we must recover public confidence and if the money is there, we should reopen Clae to handle small investors. What should be avoided, however, is paying investors who have $1 million. An investor who appeared on a television program said he has $2 million. If he withdrew his funds, along with other investors, it would be a disaster.

[Lombardi] Is that why you offered Mr. Manrique your plane, so he can show the press...

[Fujimori, interrupting] Yes.

[Lombardi] Despite the shouts Manrique for president, and despite the messages to the nation and public meetings?

[Fujimori] In this and any subject we must be objective and honest. If it is said $20 million was invested in the lobster business....

[Lombardi, interrupting] They must show it.

[Fujimori] They must show it. Either the funds are there, or they are not. They may be worth $20, $10, or whatever.

[Lombardi] Do the CLAE meetings worry you? They are talking about launching Carlos Manrique's candidacy for president. Do you view him as a future competitor?

[Fujimori] Not at all. We have discussed indexation of pensions quite openly and I believe that all issues in the country should be discussed objectively and even crudely at times. The people should be told how things really are.

[Lombardi] You once told me before the cameras and once in private as well that you trust your intuition. I would like to ask you what your intuition tells you about Manrique. Is Manrique fooling the people?

[Fujimori] In this case I do not wish to express my opinion.

[Lombardi] You have your feelings, but you do not wish to express them?

[Fujimori] I do not want to express an opinion. I trust that most of the investors will continue to receive some kind of interest rates, if not the highest interest rates, at least reasonable interest rates.

[Lombardi] Mr. President, this week Latin America was rocked, in a positive manner I might add, by the political trial of a president. The Venezuelan Supreme Court of Justice has ruled that President Carlos Andres Perez will be tried. Perez has obeyed the Supreme Court ruling and has had to step down. What do you think of this?

[Fujimori] In Latin America, and around the world, there is a tendency to ensure that state affairs are handled in an honest and rational manner. There is strong rejection for all that represents corruption.

[Lombardi] One of the institutions in which a democracy has to handle matters honestly and to prevent corruption is in the Office of the Comptroller. Why have you waited more than two months to appoint a replacement for former Comptroller General Maria Herminia Drago Correa?

[Fujimori] That is a good question and, for the record, I am not offended by your question. We have been checking out several people. We have requested intelligence reports on these people as well as a background check into their behavior over the past few years. We want to appoint a person with a clean slate.

[Lombardi] And you believe that the person you have chosen is the very best person?

[Fujimori] I sure hope so.

[Lombardi] Regarding the Fonade [Fondo Nacional de Desarrollo Economico—National Fund for Economic Development], it has been said that state funds have been used to pay off the foreign debt. Now we are beginning to receive fresh money. The IDB has approved $1 billion for the country. How is that money going to be used? Is it true that Fonade funds were used for things other than housing projects?

[Fujimori] I believe that it would be worthwhile to explain to the people what they do not hear on the news. There are several interests at stake here. We do not only defend the interests of workers, but other interests as well. There were people living off of the Fonade. These people were, in a sense, living off of the Fonade because they would place very high bids for the construction of houses that were, evidently, not enough for the hundreds of thousands [words indistinct]. Behind all of this there are other hidden interests at stake.

The Fonade funds, as you know, are being used for workers who need them. For example, on 22 May my wife inaugurated a power plant in Sector E in El Guaican. The power plant cost $980,000 and will provide light to approximately 1,150 families; in other words, $850 [words indistinct]. The Fonade funds are being used for those families who have no access to basic services. Fonade funds are not for the exclusive use of the housing sector—the housing problem has not been solved—but also for important complementary works. The plan is designed to help the boost the government's plan, which is to ensure peace in the country. Repression, arrests, and new jails are not the only ways to ensure peace, we must also fight misery and poverty, and promote development. How can I visit a new town and not provide the people with a sewer system, drinking water, electricity, school, and health center.

[Lombardi] It is obvious that peace and development go hand in hand, but so does conciliation. You said that you would not talk about pardon and amnesty until the Judicial Branch ruled on those involved in the 13 November foiled coup. Well, the Judicial Branch has handed down a ruling. Have you thought about a pardon?

[Fujimori] Before I say something let me finish what I was saying. There are two topics that you mentioned and one is paying off the foreign debt with Fonade funds. We do not use state funds in this manner or much less as the reporter, who has a Saturday program, hinted that computers would be bought with Fonade funds.

Imagine, such irresponsible charges. It is easy to check if such purchases have indeed been made. If this is the case, the reporter, and the media in general, must conduct the investigation and make the corresponding report because such a thing is very serious. I am past the halfway point of my presidential term and there are activities of an electoral nature. But, before answering your last question, you mentioned that the 1 billion of [words indistinct]. International organizations' funds are about to arrive. There is a cooperation program for investment projects. But we must also be careful here. I have something to say because I like to look at thinks up close; so much so that I can explain things for the public. You will remember that an agreement for a health improvement program, worth $68 million, was to be signed with the Inter-American Development Bank [IDB] in Hamburg, but that it was not signed on the scheduled date. It was not signed because I did not issue the supreme decree empowering the minister of economy to do it. I did not think that the agreement was properly structured although there was a Peruvian counterpart and high-level IDB consultants and advisers. The situation was like this: Of the $68 million, $12 million was earmarked for what we know as institutional reinforcement, this is to say, hiring high-level consultants,

and $13 million would be used in health sector infrastructure projects. $25 million.... I cannot even imagine this disbursement. I would rather spend $20 million on a large number of hospitals and health centers and solve their problems in a short two years.

[Lombardi] This is what will be done with the $1 billion? It will be managed like that?

[Fujimori] Right. But, if we are going to sign for a debt—although under favorable conditions, it is true—we must get specific results that can benefit the people, not, as in this particular instance, for hiring consultants.

[Lombardi] Mr. President, I thank you. Now, there are a few things pending.

[Fujimori] Your questions have been quite loaded. Do not overlook the possibility of an amnesty. I am more accessible than people imagine.

[Lombardi] When can we hear about this?

[Fujimori] You can invite me over one of these days. Maybe I will make the announcement. [Laughs]

[Lombardi] [Words indistinct] has been invited to Panorama tonight.

[Fujimori] With pleasure. Thank you.

[Lombardi] Let's see when this announcement is made, Mr. President.

[Fujimori] Some steps are being taken regarding pardon for....

[Lombardi] Regalan Gonzalez [Soccer player]?

[Fujimori, laughing] No, not so much. I am leaving with gladness.

[Lombardi] Now that he holds a personal record for goals you will lift his amnesty?

[Fujimori] No, I expect him to make [words indistinct], but no. We are taking up this stance of conciliation and sentence-reduction, which I think will help me greatly.

[Lombardi] At the end of the interview, we have relaxed and smiled, but the topic is serious. Pacification and conciliation are important.

[Fujimori] State security must also be considered.

[Lombardi] Thanks again, Mr. President, for being with us. We hope to see you any other time.

[Fujimori] Good evening, Mr. Lombardi.

Uruguay

Negotiations With Argentina Suffer 'Relapse'

PY2205150493 Montevideo Radio El Espectador Network in Spanish 0930 GMT 22 May 93

[Text] Before leaving for Asuncion, Paraguay, Foreign Minister Sergio Abreu stated that the logjam in negotiations with Argentina on the navigation channels in the River Plate has not been fully overcome.

It was leaked by diplomatic sources that while everybody presumed an agreement would be reached on the dredging of the Martin Garcia canal and that the Menem administration was ready to make concessions to the demands presented by the Uruguayan Government, negotiations suffered a relapse last night. The aforementioned sources reported that passions ran high at the meeting—on both sides—casting a chill over negotiations. One of the reasons for this situation is the seeming pressure exerted by lobbies linked to foreign trade in Argentina that want to keep total control of the canal management and toll collections.

The Uruguayan Foreign Ministry has not disclosed whether a new round of negotiations will be held in the near future with the Argentine Foreign Ministry.

Deputy Foreign Minister Comments

PY2205180593 Montevideo Radio El Espectador Network in Spanish 1600 GMT 22 May 93

[Text] Deputy Foreign Minister Jose Maria Garnio stated that no agreement has been reached yet on the conflict with Argentina over the River Plate navigation channels, adding that negotiations are being conducted with the tact this issue requires. He said:

[Begin recording] This is a very complex situation. We cannot say that a definite solution has been found to this issue—neither a positive nor a negative one. Negotiations are still under way. We have made some progress in the talks to settle this issue, and we hope that in the forthcoming days we will be able to work out a solution acceptable to both parties. But to date, no settlement has been reached because there are many different aspects to reckon with concerning the River Plate channels . Notwithstanding the fact that we have made some strides, we cannot say we have overcome this problem. [end recording]

Garnio confirmed that economic interests are a bone of contention between the two countries and added that he felt confident the conflict will be solved by diplomatic means. He said:

[Begin Garnio recording] It is obvious that there are economic interests at stake in an issue involving navigation channels. Uruguay is interested in the Martin Garcia canal because it would help boost our port-related activities, while Argentina is interested in the Mitre Canal for the same reasons. Now we must work

out a Solomonic solution that will take into account the interests of both countries. [end recording]

Vice President Opposes Government Salary Policy

PY2205140593 Montevideo Radio El Espectador Network in Spanish 0930 GMT 22 May 93

[Text] Vice President Gonzalo Aguirre and Senator Carlos Julio Pereira have seriously questioned the government's salary policy and the recent 7 percent wage increase granted to civil servants.

Aguirre and Pereira said they will vote against the government's proposal—this is the second time they will vote against it in less than a week—on the ISE [not further identified] plan.

Venezuela

CSJ Receives Senate Communique for Perez' Impeachment

PA2405220593 Paris AFP in Spanish 2129 GMT 24 May 93

[Excerpt] Caracas, 24 May (AFP)—The Supreme Court of Justice (CSJ) received at 1100 (1500 GMT) an official communique from the Senate authorizing the impeachment of suspended President Carlos Andres Perez. The document is indispensable for the trial to begin, CSJ Secretary Enrique Sanchez Risso told AFP.

The CSJ, which will hold a plenary meeting on 25 May, is awaiting a decision by its president, Gonzalo Rodriguez Corro, who made the motion claiming there was merit to try Perez. He was supported on 20 May by nine of the 15 members of the CSJ, which must issue an "order to proceed" that will start the first impeachment of a president in Venezuela. [passage omitted]

Legal Opinion on Perez' Right To Designate Substitute

PA2005155493 Caracas Venezolana de Television Network in Spanish 2350 GMT 19 May 93

[Text] Less than 24 hours before the Supreme Court of Justice rules if the case against President Carlos Andres Perez and two of his former minister merits a preliminary hearing, Attorney Reinaldo Gadea—who has been consulted on various occasions by President Carlos Andres Perez—explained at the Supreme Court the legal steps President Perez could take in case the court decides there is merit for a trial and once the case arrives in the Senate. Here is what Gadea said:

[Begin Gadea recording] What is being discussed today and, and [pauses] by several attorneys in the nation, is if the president—before the Senate puts him on trial—is empowered to designate an [acting] president among his ministers. In my opinion, he can. He is empowered to do so. He can do this right now the same way he could have done this a year ago. There is nothing preventing Perez from doing this. The law is very clear. It states that when a president is being tried, he is suspended, he is not removed, he is not disqualified, or.... [pauses] he is simply suspended. Because tomorrow....

[Reporters, interrupting, all shouting simultaneously] [words indistinct]

[Unidentified reporter] There is a three-month period for the Senate to declare if the fault is transitory or categorical. After those three months, would the Senate then appoint the president who would take over for the rest of the term?

[Gadea] That is correct. The Constitution provides that after 90 days of a transitory fault, the Congress has the power to decide if that fault is categorical or transitory. [as heard] [end recording]

Here at the Supreme Court of Justice, everything is ready for the making or the communication of the decision. The 15 justices who compose the plenum of the Supreme Court will meet and vote in favor or against the motion of Justice Gonzalo Rodriguez Corro, president of the Supreme Court.

Energy Minister Cited on Oil Prices

PA2305165693 Caracas Venezolana de Television Network in Spanish 0000 GMT 23 May 93

[Text] Energy and Mines Minister Alirio Parra ratified that the government will have continuity in oil industry projects and also gave assurances that there will be no budget changes. While leaving a meeting with Acting President Octavio Lepage, the mines minister stressed that the country's crisis has not affected Venezuelan oil prices. He added that at the next annual OPEC conference to be held in Vienna on 7 June, the production program and quota system will be analyzed, for which Venezuela has several proposals.

[Begin Parra recording] We support the quota system. As you can see, we adhere to it and have contributed to keeping world market prices stable. You will recall that I have made several trips to ensure greater support and better prices for all oil producers. [end recording]